INDUSTRY, TOURISM AND INVESTMENT

1. OVERVIEW

MISSION

The Department of Industry, Tourism and Investment (ITI), in partnership with others, provides quality programs and services to promote and support Northwest Territories (NWT) economic prosperity and community self-reliance.

GOALS

1. Promote and support a diversified economy that provides opportunities for NWT residents.
2. Promote and support the development of business opportunities, including agriculture, commercial fishing, the traditional economy, tourism, trade, investment, manufacturing, and secondary industries.
3. Promote the sustainable development of natural resources that respects the conservation and protection of the environment for our future generations.
4. Promote and support the efficient development, utilization and marketing of energy resources to achieve self-sufficiency, maximize economic opportunities, and realize affordable energy costs.
5. Secure economic and employment opportunities from responsible resource development for NWT residents.
6. Develop partnerships with individuals, businesses, communities, Aboriginal organizations and other governments to foster prosperity and community self-reliance.

PROPOSED BUDGET ($000)

Total Operating Expenses	$50,836
Compensation & Benefits	$17,392
Grants & Contributions	$21,485
Other O&M	$11,180
Amortization	$779
Infrastructure Investment	$1,930

PROPOSED POSITIONS

Headquarters (HQ)	78 positions
Regional/Other Communities	89 positions

KEY ACTIVITIES

- *Corporate Management*
- *Mineral and Petroleum Resources*
- *Energy*
- *Tourism and Parks*
- *Economic Diversification and Business Support*

STRATEGIC ACTIONS

Maximizing Opportunities

- Support Diversification
  - New SEED Policy and enhanced funding
  - Parks: Renewal, Operations, Maintenance and Capital
  - Cultural Interpretation at Parks
  - Sport Hunt Outfitter Marketing Support
  - Falcon Broadband Network
  - Tourism Product Diversification and Marketing Fund
  - Western Harvesters Assistance Program
- Promote the NWT As A Place To Visit And Live
  - Promote the NWT at 2010 Olympics
  - National Marketing Campaign
  - Promote Arts and Crafts Production
  - Promote NWT Artists
- Maximize Benefits from Resource Development and Related Initiatives
  - MGP Strategic Investment - NEB, SEA Board, Coordination and APG
  - Environmental Management Opportunities
  - Maximizing Northern Residency - Mining Workforce Initiative MOU
  - Taltson Hydro Expansion

Reducing the Cost of Living

- Improve Quality and Cost of Shelter
  - NWT Hydro Strategy
- Address Factors that Impact the Cost of Living
  - Review of Electricity Rates, Regulation and Subsidies
  - Promote and Support Commercial Harvesting, Processing
  - Agriculture Development Infrastructure
  - Energy Plan Renewal

Building Our Future

- Expand Programming for Children and Youth
  - Take a Kid Trapping

Managing This Land

- Environmental Stewardship
  - Protected Area Strategy Analyst
- Mitigate and Adapt to Climate Change Impacts
  - Łutselk'e Mini Hydro Facility
  - Whatì Mini Hydro / Transmission Line
  - Fort Providence Transmission Line
  - Sahtu Hydro Assessment / Bear River Feasibility
  - Natural Gas Conversion
  - In-Stream Hydro
  - Expansion of Residual Heat

2. EMERGING ISSUES

There are a number of emerging issues that will have an impact on ITI programs and services, and on how they are delivered during the 2010/2011 fiscal year. The relevant socio-economic trends and forecasts, as well as the strengths, weaknesses, opportunities and threats of ITI's operating environment, have all been taken into consideration when developing the ITI Business Plan.

KEY ISSUES FACING THE NWT ECONOMY ARE:

- There is a heavy reliance on the resource sector in the NWT economy. Diamonds, oil and natural gas make up more than 98% of NWT exports, at over $2.7 billion. Continued development in the resource sector, for diamonds and other resources, is required to maintain our economic growth. Resource development provides direct employment and business opportunities for a wide range of NWT residents and businesses.
- Reliance on only a few industries, however, emphasizes the need to diversify the NWT economy. There is a need to diversify the economic base into other industries such as tourism, manufacturing and services, as well as to recognize the important role of the traditional economy. Opportunities also exist to diversify mineral production into base metals, precious metals and other commodities.
- The danger of reliance of the NWT economy on resources is highlighted by the recent world financial system crisis and subsequent movement of a number of major economies into or near recession. The situation has affected the ability of a wide range of businesses to access capital, either through loans or equity markets. Lower commodity prices have resulted from the economic slowdowns as well, and NWT resource development projects can also be affected by the low commodity prices and limited access to investment capital. This should indicate that the NWT economy is directly affected (i.e., we have not been immune to the effects of the global economic crisis).
- Climate change is another significant factor that can impact our economy. Initiatives to reduce greenhouse gas emissions will be required to ensure the NWT is doing its part in mitigation. There will be positive and negative impacts on tourism related to renewable resource use, and new agricultural opportunities may present themselves. The effects on resource development have already been felt by the larger industrial sector through a shortened ice road season. This has also impacted communities that rely on re-supply through ice roads. On the other hand, climate change has resulted in shrinking sea ice, which is already resulting in increased shipping opportunities.
- Considerable potential, however, does exist to develop renewable and cleaner energy resources to help address rising fuel prices and global warming concerns. Utilizing NWT energy sources such as hydro or natural gas, or finding alternate energy solutions, would reduce NWT reliance on imported fossil fuels and would strengthen the economy.
- Development of the Mackenzie Gas Project (MGP) will open up NWT natural gas resources and provide tremendous opportunities for NWT business, which in turn will place additional demands on government services, beyond current capacities.
- Population growth in the NWT has been minimal. Rotational workers result in almost $334 million in economic leakage and a lack of skilled labour to take existing job opportunities. There exists a strong correlation, greater than 97%, between businesses and population. Retail and service businesses are particularly dependant on population.

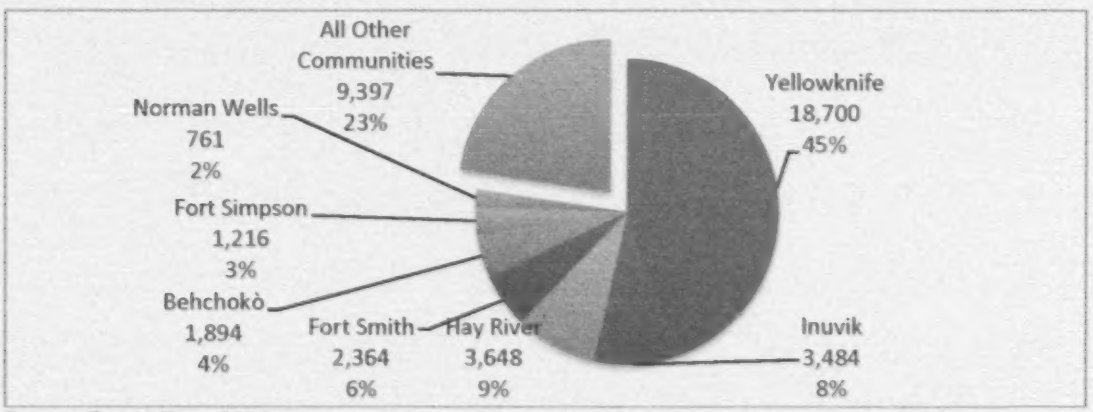
- Strong Gross Domestic Product (GDP) growth is not reflected in all regions of the NWT. Considerable disparities continue to exist between the larger centres and the small communities. These disparities are clearly reflected in the lack of opportunities and higher costs in most of the small communities.

DEMOGRAPHICS

Local business markets are a combination of population and incomes. Yellowknife accounts for 45% of the population. A further 32% live in the other four regional centres as well as Hay River and Behchokǫ̀, while 23% of the population live in 26 small, largely Aboriginal communities. Even with record GDP growth, the NWT population has been declining since 2006; over the past five years, 6,655 NWT residents moved to Alberta. Residents have also moved out of regions with limited resource development. Populations have increased in Yellowknife and the North Slave Region, but have declined in the Beaufort-Delta and South Slave Regions.

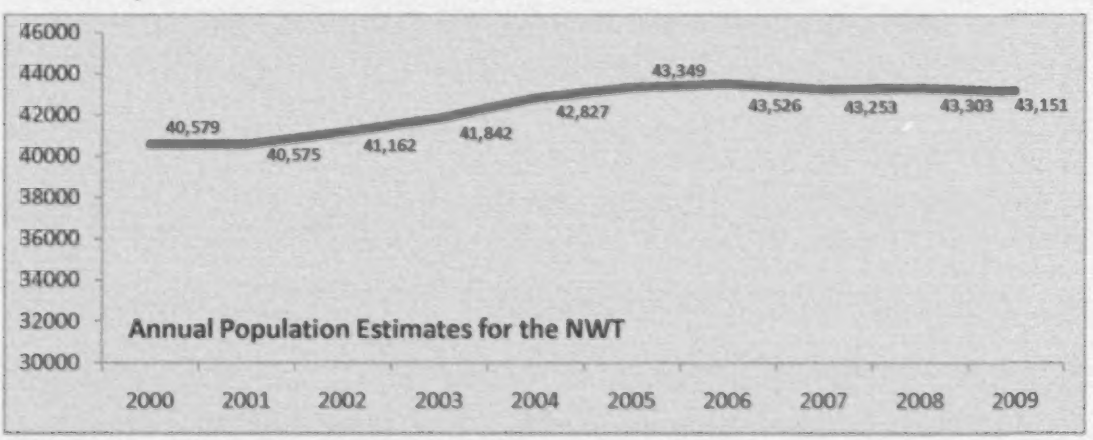
Population and incomes determine local markets. Population growth is necessary to develop service and trade businesses. Falling populations can reduce the availability of labour, limiting the ability of businesses to expand and take advantage of spin-off opportunities in the resource sector.

Chart 1: Population by Region 2006



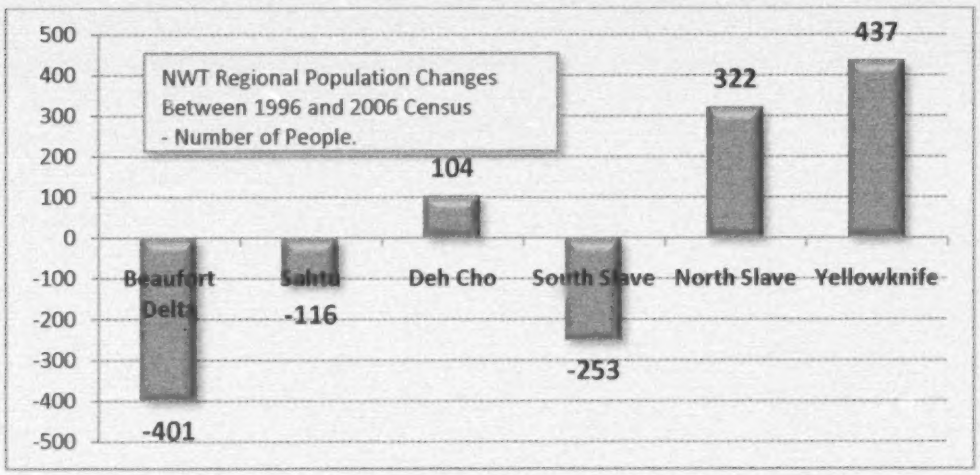
Source: Census Data, 2006

Chart 2: Population Trend in the NWT for Calendar Years 2000-2009



Source: NWT Bureau of Statistics

Chart 3: Population Change by Region between Calendar Years 1996 and 2006

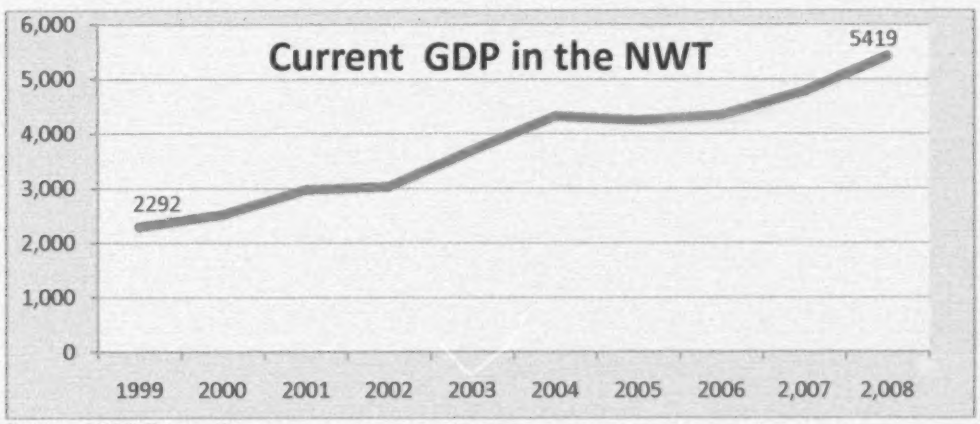


Source: NWT Census Data

OVERALL ECONOMIC PERFORMANCE

On the expenditure side, personal expenditures increased (up 4.7%) while business investment decreased (down 11.1%). Diamond mining accounted for the largest share of total GDP through calendar year 2008 (29% of the total). Construction, largely in response to diamond mine investment, was the second largest industry at 14% of total GDP.

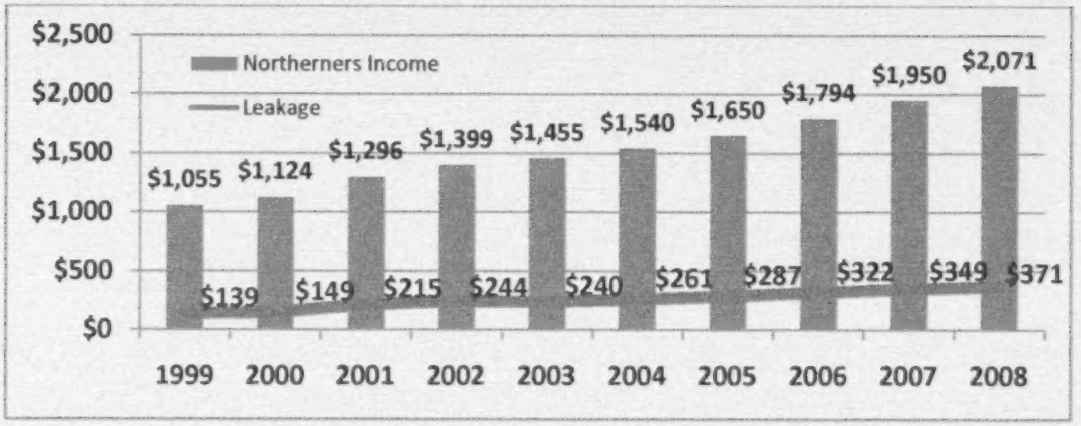
Chart 4: GDP for the NWT, Calendar Years 1999 to 2008



Source: NWT Census Data

GDP in the NWT, from year to year, increased by 13.5%, with corporate profits experiencing an increase of 29.7%. Labour income also experienced an increase of 6.2%. As shown in chart 5 on the next page, the portion of non-resident labour income, represented by the red line, has also increased to $371 million: the percentage has remained fairly constant in recent years at 18%. Currently rotational workers are used in the mining, oil and natural gas sectors, construction and the medical sector. Given the average Canadian household size of 2.5 people, the NWT is losing out on more than just the wages of rotational workers living outside the NWT.

Chart 5: Estimated Resident and Non-Resident Wages Earned in the NWT



Source: NWT Bureau of Statistics (Updated July 2009)

EXPORTS AND IMPORTS

Despite the global economic downturn, the NWT had a positive trade balance of $537 million over the 2008 calendar year, after 2 previous years of negative balances. Diamonds constitute the largest export by value from the NWT. In 2008, carat production of diamonds decreased by 17%, while sales increased 18%. The value of oil exports increased slightly, on price, even as production declined slightly. Natural gas exports have declined by about 50%.

MINING

At the end of 2008, the NWT had the only three commercially producing diamond mines in North America. Production for 2008 exceeded $2 billion.

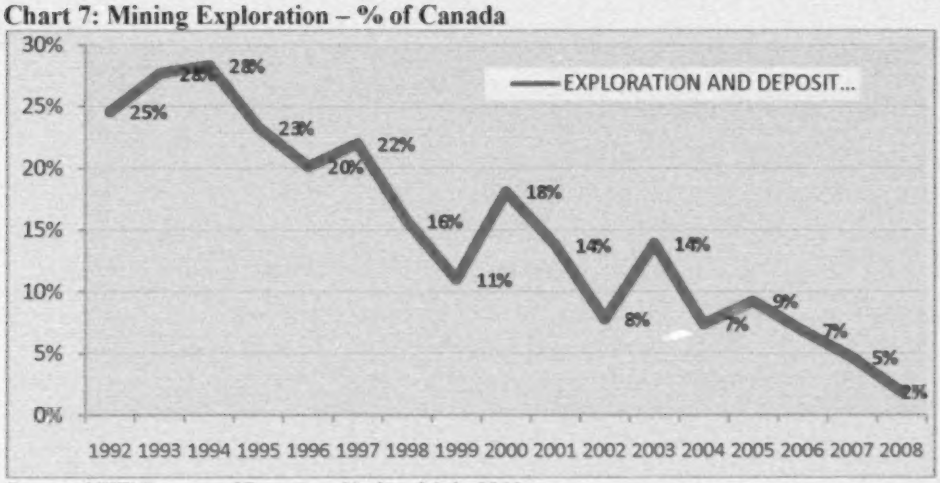
Chart 6: Mineral Production in $000s

Annual	Gold	Silver	Tungsten	Diamonds	Natural Gas	Crude Petroleum
1999	$42,053	$156		$606,254	$11,690	$230,925
2000	$51,064	$243		$624,949	$103,068	$387,276
2001	$54,314	$207		$717,780	$207,283	$337,964
2002	$52,439	$237	$18,790	$801,469	$134,269	$332,609
2003	$42,820	$149	$29,755	$1,587,740	$177,908	$337,129
2004	$8,752	$27	$0	$2,096,718	$151,119	$366,704
2005	$0	$27	$8,155	$1,762,053	$120,010	$424,813
2006	$0	$0	$64,497	$1,567,019	$62,124	$462,994
2007	$0	$0	$71,875	$1,744,988	$54,459	$497,409
2008	$0	$0	$64,497	$2,084,047	$43,846	$639,124

Source: NWT Bureau of Statistics, updated July 2009

Mineral exploration in the NWT dropped to an all time low, accounting for only 2% of Canada's total over 2008. Mineral exploration includes grassroots exploration projects, exploration around abandoned and existing mines (e.g., Yellowknife Gold Project and the Ekati Claim Block, respectively) and advanced feasibility studies (e.g., Gahcho Kué project).

Chart 7: Mining Exploration – % of Canada



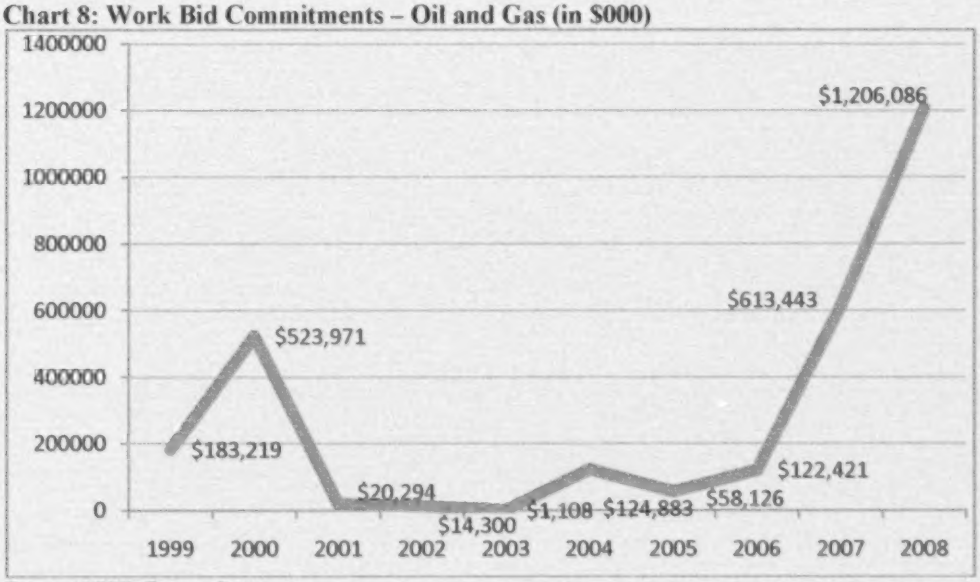
Source: NWT Bureau of Statistics. Updated July 2009.

OIL AND NATURAL GAS

Oil and natural gas exports through the 2008 calendar year were valued at $682 million, with a GDP contribution of $195 million for oil and natural gas extraction. Major producers included the Norman Wells oil field and the Cameron Hills oil and natural gas fields. Once natural gas flows down the proposed Mackenzie Valley Pipeline (MVP), natural gas production would exceed $2.2 billion annually.

Oil prices have shown continued strength through the 2009 calendar year. Several oil companies have proposed major exploration programs in the Beaufort Sea. In the past two years, almost $2 billion has been committed to spending on oil exploration in the Beaufort Sea.

Chart 8: Work Bid Commitments – Oil and Gas (in $000)



Source: NWT Census Data

MANUFACTURING

Current manufacturing in the NWT is dominated by diamond processing, manufacture of products for industry and unique northern products. Overall sales have declined significantly over the past four years, from $90 million in 2005 to an estimated $40 million in 2008. The NWT's manufacturing sector is dominated by diamond cutting and polishing.

Chart 9: Value of Manufacturing in the NWT (2003 to 2008)

	2003	2004	2005	2006	2007	2008
NWT manufacturing industries millions	**78.3**	**80.8**	**90.8**	**64.2**	**45.8**	**39.5**

Source: NWT Bureau of Statistics. Updated October 2008

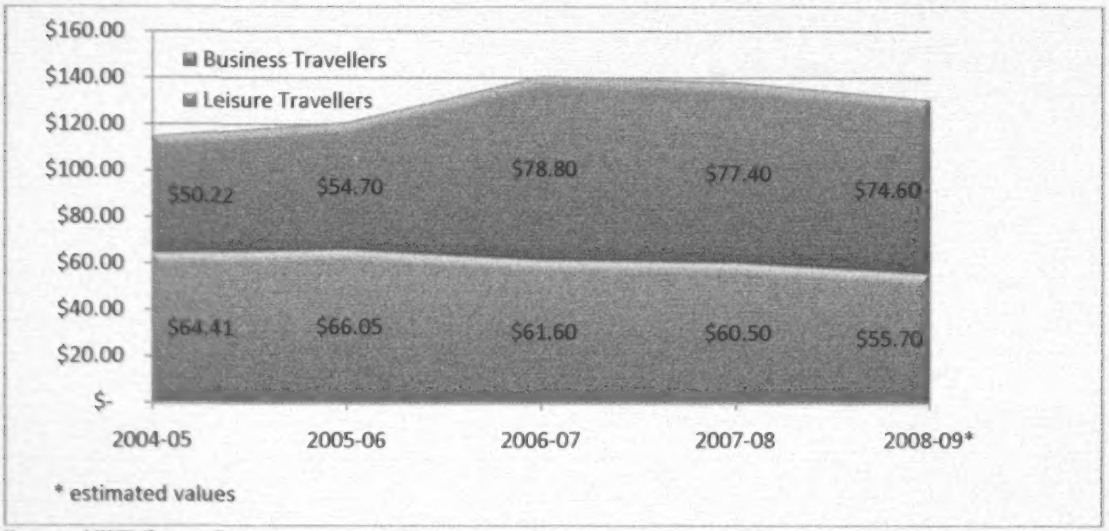
RENEWABLE RESOURCE HARVESTING AND AGRICULTURE

The agriculture, furs, and fishing industries in the NWT had estimated sales value in the range of $8 million. Based on a 2004 study, the value of subsistence harvesting was estimated at a further $20 million. As a means of livelihood and cultural retention, renewable resource harvesting and agriculture remain vitally important, particularly in the smaller communities. About 40% of NWT residents over 15 years of age spend time on the land fishing and hunting.

TOURISM

Visitor spending, including both leisure and business segments, was valued at $123.1 million between April, 2008 and March, 2009. Visitors to the NWT typically come to visit friends and family, go hunting or fishing, view the Aurora, or participate in outdoor adventures and general touring. New opportunities are developing for Aboriginal tourism that will promote unique Aboriginal cultural experiences. The NWT is capturing an increasing share of the meetings and conventions travel market, with a tremendous potential to accelerate this growth.

Chart 10: Tourism Spending in the NWT (in millions) from 2004-2009

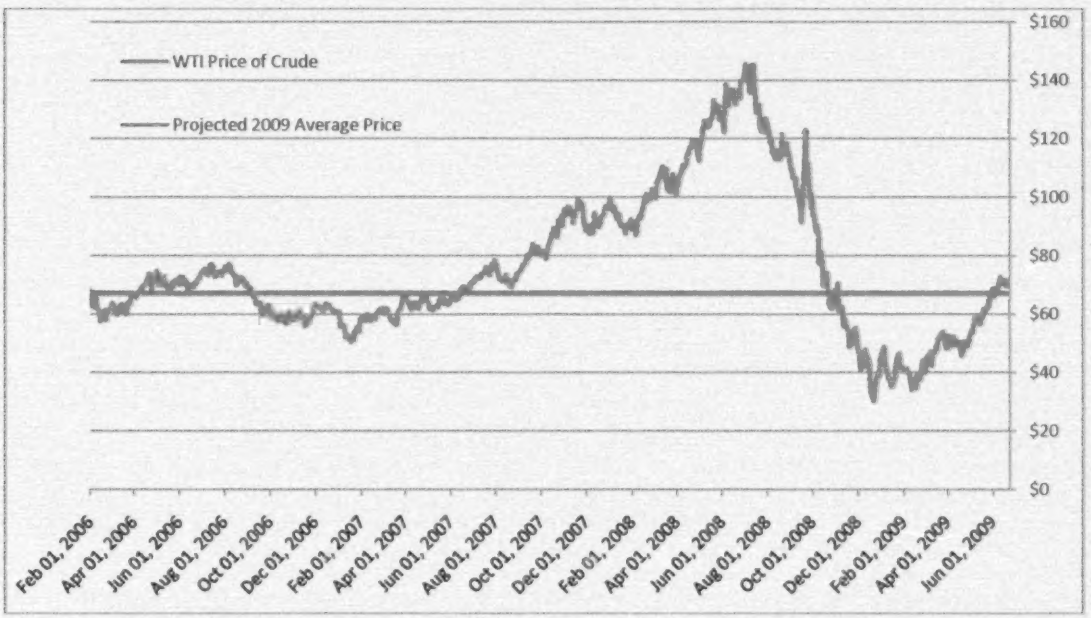


Source: NWT Census Data

ENERGY

Rising energy costs, and the growing impact of our energy use on the environment, point to the need to displace imported diesel with local energy sources. Examining the potential use of alternative sources (e.g., biomass, wind) and applying these technologies for use in our northern environment are areas that will require attention in the coming years. The NWT also has significant potential with regard to more conventional sources of energy. Conversion of communities to natural gas for home heating and electricity generation and the further development of the NWT's world class hydro potential are two such opportunities. As demonstrated in the chart below, reducing the NWT's exposure to fluctuating world oil prices will be important to the continued sustainability of NWT communities.

Chart 11: Crude Oil Historical Price – 2006 through June 2009



Source: Energy Information Administration - June 2009

3. 2010-11 Planning Information

The detailed description of planned activities for the Department includes the following sections:

a) Fiscal Position and Budget
b) Update on Key Activities and Results Reporting
c) Update on Strategic Activities
d) Overview of Infrastructure Investments
e) Legislative Initiatives
f) Human Resource Overview
g) Information System and Management Overview

a) Fiscal Position and Budget

Departmental Summary

	Estimates 2010-11	Estimates 2009-10	Estimates 2009-10	Estimates 2008-09
			($000)	
OPERATIONS EXPENSE				
Corporate Management	7,517	6,854	6,608	6,661
Minerals & Petroleum Resources	6,566	6,592	6,456	6,018
Economic Diversification & Business Support	19,584	18,098	17,824	17,249
Tourism and Parks	12,238	12,875	12,753	10,646
Energy	4,931	7,244	7,229	5,019
TOTAL OPERATIONS EXPENSE	50,836	51,663	50,870	45,593

Note: Revised Estimates for 2009-10 includes the 2009-10 allocation of the funding associated with the recently concluded Collective Agreement between the Government of the Northwest Territories and the Union of Northern Workers, in the amount of $793,000.

OPERATION EXPENSE SUMMARY

	Main Estimates 2009-10	Revised Estimates 2009-10	Proposed Adjustments: Forced Growth	Proposed Adjustments: Sunsets and Strategic Initiatives	Proposed Adjustments: Other ljustments	Proposed Adjustments: Internal allocations	Proposed Budget 2010-11
			($000)				
Corporate Management							
Directorate	2,283	2,354	203	250	-	-	2,807
Policy, Leg & Comm	1,042	1,079	33	-	-	-	1,112
Shared Services	1,992	2,073	63	78	-	-	2,214
Corporate Costs	1,217	1,274	36	-	-	-	1,310
Amortization	74	74	-	-	-	-	74
Total Activity	**6,608**	**6,854**	**335**	**328**	-	-	**7,517**
Minerals & Petroleum Resources							
MVPO	2,347	2,375	26	-	(350)	-	2,051
Industrial Initiatives	726	748	15	250	(150)	-	863
Minerals Oil & Gas	3,368	3,454	183	-	-	-	3,637
Amortization	15	15	-	-	-	-	15
Total Activity	**6,456**	**6,592**	**224**	**250**	**(500)**	-	**6,566**
Economic Diversification & Business Support							
Invest & Econ Analysis	14,325	14,549	319	1,225	(132)	-	15,961
NWT BDIC	3,499	3,549	74	-	-	-	3,623
Amortization	-	-	-	-	-	-	-
Total Activity	**17,824**	**18,098**	**393**	**1,225**	**(132)**	-	**19,584**
Tourism & Parks							
Tourism & Parks	12,063	12,185	193	1,010	(1,840)	-	11,548
Amortization	690	690	-	-	-	-	690
Total Activity	**12,753**	**12,875**	**193**	**1,010**	**(1,840)**	-	**12,238**
Energy							
Energy	7,229	7,244	12	900	(3,225)	-	4,931
Amortization	-	-	-			-	-
Total Activity	**7,229**	**7,244**	**12**	**900**	**(3,225)**	-	**4,931**
TOTAL DEPARTMENT	**50,870**	**51,663**	**1,157**	**3,713**	**(5,697)**	-	**50,836**

Note: Revised Estimates for 2009-10 includes the 2009-10 allocation of the funding associated with the recently concluded Collective Agreement between the Government of the Northwest Territories and the Union of Northern Workers, in the amount of $793,000.

Forced Growth under Proposed Adjustments includes funding associated with the increased cost of delivering services and also the 2010-11 allocation of the funding associated with the recently concluded Collective Agreement between the Government of the Northwest Territories and the Union of Northern Workers, in the amount of $665,000.

REVENUE SUMMARY

	Proposed Main Estimates 2010-11	Main Estimates 2009-10	Revised Estimates 2008-09	Main Estimates 2008-09
			($000)	
GRANT FROM CANADA				
TRANSFER PAYMENTS				
Type 1				
Type 2				
Type 3				
TOTAL	0	0	0	0
TAXATION REVENUE				
Type 1				
Type 2				
Type 3				
TOTAL	0	0	0	0
GENERAL REVENUES				
Investment Interest	990	1,100	1,450	1,450
Parks Merchandise	23	30	30	30
Tourism Operators Licences	20	33	33	33
Trade Mark Royalties	150	150	150	150
TOTAL	1,183	1,313	1,663	1,663
OTHER RECOVERIES				
Type 1				
Type 2				
Type 3				
TOTAL	0	0	0	0
GRANTS IN KIND				
Type 1				
Type 2				
TOTAL	0	0	0	0
CAPITAL				
Deferred Capital Contributions				
Other				
TOTAL	0	0	0	0
REVENUES	**1,183**	**1,313**	**1,663**	**1,663**

b) Update on Key Activities and Results Report

CORPORATE MANAGEMENT

Description

The Corporate Management activity consists of Directorate; Policy, Legislation and Communications; Corporate Costs; and Shared Services (Finance and Administration, and Informatics).

Directorate includes the Deputy Minister and the Assistant Deputy Minister – Programs and Operations, and is responsible for overall direction and coordination of Departmental programs. Directorate is also responsible for all five Regional Superintendents and their operational mandates.

Policy, Legislation and Communications (PLC) provides policy, legislative, strategic planning, coordination and communications support to enable the Department to respond effectively to economic and resource development issues of concern to the NWT. This function is responsible for coordinating mandate information and process, environmental assessment, and land and resource management activities for ITI. This function also coordinates the Department's participation in Aboriginal lands, resources and self-government negotiations, and coordinates input to negotiations for devolution of land and resources management from the Federal Government.

Corporate Costs captures Department-wide specific costs such as lease payments, vehicle and building maintenance, fuel, etc.

Shared Services provides services to the Department of ITI and to the Department of Environment and Natural Resources (ENR). Finance and Administration provides financial management and administrative services to the Departments. Informatics is responsible for information systems that support the Departments in developing and managing databases and web systems in order to provide information to decision-makers and the public.

Major Program and Service Initiatives 2010/11

Directorate - Dehcho Region - Two new positions will start in 2010/11; one position will be responsible for regional participation in initiatives related to land and resource management. The second position will be responsible for the evaluation and creation of one or more new territorial parks in the Dehcho Region to fulfil the GNWT commitment under the Protected Areas Strategy (PAS).

Shared Services - Informatics - In addition to organizational improvement activities building on the improved planning, results reporting and project management discipline introduced in the 2009/10 fiscal year, the Informatics Division is undertaking the following systems development projects:

- Land Use Framework Decision Support Tools
- Electronic Records Management
- LISIN Phase III
- Compliance Management Information System

* Details of these projects are listed in the "Information System and Management Overview" section.

Industry, Tourism and Investment

Four Year Business Plan Update

Results to Date

PLC - In 2009/10, PLC added a Land and Environmental Affairs Specialist Position to analyze and coordinate ITI involvement in, and input to, environmental assessment and land management activities. The additional capacity has assisted ITI to coordinate and participate in several resource management initiatives.

PLC - In June 2008, PLC launched the new ITI Website which offers ITI clients and the public a more accessible, easy to use reference that guides them through the work and services provided by the Department.

Shared Services - Finance and Administration - is currently on schedule to meet 2009/10 targets.

Shared Services - Informatics - During the 2009/10 fiscal year the Informatics Division introduced a new Informatics planning process that aligns with GNWT business planning cycles. This new planning process includes a four year strategic outlook and a one year operational plan. Once this planning cycle is fully implemented, it will lead to much stronger and more focused plans resulting in much improved results focused on solving critical departmental challenges.

Changes to Four Year Plan

PLC - As a result of the Target Reduction exercise in 2009/10, the Communications and Marketing Specialist position was eliminated.

Directorate - Dehcho Region - Two new positions will start in 2010/11; one position will be responsible for regional participation in initiatives related to land and resource management. The second position will be responsible for the evaluation and creation of one or more new territorial park(s) in the Dehcho Region to fulfil the GNWT commitment under the PAS.

In addition, during the 2010/11 fiscal year the informatics division will be adding one position to facilitate the management and sharing of information related to land and resource management in the GNWT. This position will be strongly linked to the implementation of effective decision support tools and will be critical to the success of that strategic initiative.

KEY ACTIVITY 1: MINERALS AND PETROLEUM RESOURCES

Description

ITI leads the development and promotion of initiatives and strategies to increase NWT economic benefits from mineral and petroleum exploration and operations and from pipeline development activities.

ITI supports informed decision-making by providing geoscience data, through the Northwest Territories Geoscience Office (NTGO).

ITI is responsible for interdepartmental cooperation to support the development of the Mackenzie Gas Project (MGP) and facilitating opportunities associated with the development of the MGP.

ITI is further responsible for facilitating and enabling the development of the secondary diamond industry in the NWT.

ITI is also responsible for the management of socio-economic effects of resource development by coordinating interdepartmental cooperation with industry through Socio-Economic Agreements (SEAs).

ITI supports the negotiations for devolution of land and resources management from the Federal Government.

These activities are delivered through PLC, the Minerals, Oil and Gas Division (MOG), the NTGO, the Mackenzie Valley Pipeline Office (MVPO), the Industrial Initiatives Unit and ITI's Regional Offices.

Major Program and Service Initiatives 2010/11

Mineral and Petroleum Resource Development – ITI will monitor exploration, transmission and operations of mineral and petroleum developments to provide analysis and advice to NWT residents, communities and governments. ITI will continue to provide information to communities on the employment and procurement opportunities associated with mineral and petroleum resource development, and continue to meet with mineral and petroleum resource development companies to facilitate those opportunities. ITI will participate in the analysis of land use and regulatory initiatives to provide information to NWT residents, communities and Government on their impacts on mineral and petroleum development to support informed decision-making.

NTGO – ITI, in partnership with Indian and Northern Affairs Canada, will continue to provide support for the NTGO. The NTGO conducts field-based mapping and research programs that further the public knowledge of the geology and mineral and petroleum potential of the NWT. Some of this work is conducted for the Protected Areas Strategy to better understand the resource potential of lands being considered for permanent protection. The NTGO also manages and distributes public geoscience information for the NWT. ITI will continue to seek long-term funding to support these core functions. Current major initiatives include a number of mapping and sampling programs located in the Mackenzie Mountains, Great Bear Lake area, and on Victoria Island. In addition, NTGO will continue to enhance the NT GoMap web-GIS platform, the NORMIN database of mineral showings and related information, and the Gateway web application that is used to distribute NTGO publications and industry reports.

Industry, Tourism and Investment

Mackenzie Gas Project (MGP) – ITI will support the development of the MGP and related induced development by providing leadership and coordination to ensure policy development and actions that result in NWT residents achieving the greatest possible benefits of these developments while minimizing any potential negative impacts. This function is ongoing through 2010/11 and beyond. Major initiatives include: coordination of GNWT's intervention before the National Energy Board for the MGP; ongoing financial support for the Aboriginal Pipeline Group; ongoing funding for Aboriginal organizations for capacity building; and planning for induced development.

Support for the NWT Diamond Industry – In 2010/11, ITI will continue to provide ongoing support to existing NWT diamond manufacturers, and finalize the update to the review of the 1999 GNWT Support to Diamond Manufacturing Policy Framework.

Management of Socio-Economic Effects of Resource Development – ITI will support the appropriate management of socio-economic effects of resource development through the negotiation and implementation of SEAs. This includes continued facilitation of GNWT support for the MGP SEA, and associated sub-agreements. This function is ongoing and continued through 2010/11.

Maximizing Northern Residency – Mining Workforce Initiative Memorandum of Understanding (MOU) – ITI has proposed to collaborate with the Department of Education, Culture and Employment and the three NWT diamond mines to develop strategies and action plans to maximize the number of mine employees who live in the NWT.

Devolution – ITI will provide support to devolution negotiations as necessary.

Four Year Business Plan Update

Results to Date

Mineral and Petroleum Resource Development – In 2008/09, a pilot economic model for oil and gas production was written and basic input data for this model was collected; economic models of mines and mineral exploration projects were updated; input was provided into the Tyhee, Tamerlane, Gahcho Kué and Prairie Creek Environmental Assessments; support was provided for the development of a GNWT position on the boundary for an expanded Nahanni National Park Reserve; input was provided into the review of regulatory initiatives (Northern Offshore Regulatory Review, Northern Regulatory Improvement Initiative). ITI led the GNWT's Intervention before Alberta Energy and Utilities Board – Natural Gas Liquids Inquiry, the GNWT's Intervention before NEB – TransCanada Application and the GNWT's Intervention before the NEB – MGP; and supported conferences that support the Department's objectives.

In 2009/10, ITI will update the diamond mine economic models, participate in ongoing environmental assessments, and provide support on the formulation of the GNWT positions on the establishment of National Parks, particularly the Thaidene Nene and Naats'ihcho'oh proposed Parks, provide input into the development of Regional Land Use Plans (Dehcho, Sahtu, Upper Thelon). ITI will participate in regulatory initiatives (Northern Regulatory Improvement Initiative, NWT Seismic Guidelines, NWT Environmental Audit). ITI will continue to work with Imperial Oil – Norman Wells Operations to maximize benefits from that operation.

NTGO – Significant progress was made in new geological mapping, regional geochemical and airborne geophysical surveys, mineral deposit studies, improvement to outreach services, and development of a web-based GIS application for discovery and download of NWT geoscience information, including: new field mapping projects initiated in the Mackenzie Mountains, Mackenzie Valley, Blachford Lake – Hearne Channel area, and southeast of Great Bear Lake; a major geochemical reconnaissance program continued in the Sahtu Region; field work conducted in the greenstone belt north of Yellowknife; and ongoing improvements to the NT GoMap web application and interpretation of airborne geophysical data collected in previous years. Publications released by NTGO can be found at: www.nwtgeoscience.ca.

MGP – In 2008/09, ITI provided financial support to the Aboriginal Pipeline Group (APG), and increased the support in 2009/10. This funding supported affected Aboriginal Governments with capacity building contribution funding, provided financial support to the Dehcho First Nation for the negotiation of Access and Benefits Agreements and assisted the Gwich'in Tribal Council in developing a protocol for the issuance of petroleum exploration rights on their sub-surface owned lands. ITI updated an analysis of the potential for value-added and secondary industries and conducted a detailed investigation of the economics of converting three NWT communities to natural gas heating and power generation. ITI worked collaboratively with Federal Government departments in the coordination of the regulatory review of the MGP. ITI also participated in the preparation of the government responses to the anticipated Joint Review Panel socio-economic recommendations.

Support for the NWT Diamond Industry - In 2008/09 and 2009/10: one new cutting and polishing factory was opened in Yellowknife; the DMACS database was completed and implemented; a review of the 1999 GNWT Support to Diamond Manufacturing Policy Framework was initiated; GNWT inspections of the De Beers Snap Lake mine rough and valuation process continued; and an examination of the potential for a Bourse based in the NWT was done. ITI began work on the creation of a Diamond Manufacturers Revolving Fund.

Management of Socio-Economic Effects of Resource Development – ITI continued to implement the Ekati, Diavik and Snap Lake SEAs. Annual and semi-annual reports required as part of the monitoring and implementation process under the SEAs were completed. ITI maintains regular contact with the three diamond mines and other stakeholders to encourage the best performance under the SEAs. In 2009/2010 ITI supported the conclusion of negotiations between the GNWT and the project proponents for all the required sub-agreements associated with the MGP Socio-Economic Agreement.

Maximizing Northern Residency – Mining Workforce Initiative MOU - ITI negotiated and signed a MOU with the three NWT diamond mines, to increase the number of NWT residents employed at the mines, including increasing the number of mine workers who live in the NWT. ITI and other GNWT Departments have been working with NWT communities most able to accommodate new residents to prepare for any possible actions to be taken to meet this goal. ITI, the NWT Bureau of Statistics and the mines have developed and conducted a survey of diamond mine employees to determine why mine workers choose to live in the NWT or not.

Changes to Four Year Plan

Mineral and Petroleum Resource Development – In 2009/10, MOG added a Mineral and Petroleum Development Impacts Analyst to respond to the increased demand placed on the Division to provide analysis and interpretation on the impacts on potential mineral and/or petroleum exploration and development as a result of different land use initiatives (e.g., creation/expansion of National Parks, development of Regional Land Use Plans).

Prospector Grubstake Program – The Program was eliminated effective March 31, 2009 as a result of the Targeted Reductions Exercise.

Resource Development Specialist – This position was eliminated effective March 31, 2009 as a result of the Targeted Reductions Exercise.

NTGO – In 2010/11, the NTGO will add an indeterminate Geomatics Specialist who will address the growing demand for geoscience-related spatial products requested by governments, land use planners, research partners, and industry clients.

MGP - Through the Target Reduction exercise, support to tax-based communities was sunset in 2008/09. Development of socio-economic sub-agreements and the establishment of the MGP Socio-Economic Advisory Board has been deferred until 2010/11 as a result of the significant delays associated with the regulatory process for the MGP. Similarly, planned investments in induced Development and Secondary Industry Strategic initiatives have also been deferred as a result of these delays.

Energy and Mines Ministers Conference 2010 – The federal/provincial/territorial Conference in August 2010 has been deferred. The GNWT will now host this conference in 2014.

Management of Socio-Economic Effects of Resource Development – The Gahcho Kué Environmental Assessment was put on hold for much of 2008/09 and 2009/10, as the Mackenzie Valley Environmental Impact Review Board has been waiting for the proponent to complete its Environmental Impact Statement.

Measures Reporting

Measures (for time period April 1, 2008 to March 31, 2009)

Number of geoscience products released to client: **40**

The NTGO is responsible for the collection and dissemination of earth sciences information that supports mineral and petroleum exploration and land use planning. The information is only useful if it is released publicly. The NTGO continues to increase the number of geoscience products released to clients over the two previous years (33 publications in 2007/2008 and 25 publications in 2006/2007).

Funding For Geoscience: **$2.9 M**

Geoscience can only be carried out if appropriate funding is provided. Given that the GNWT does not have devolution of responsibilities – including collection of royalties – ITI cannot fund geosciences to the extent required. Funding for geosciences has continued to decrease ($3.4 million in 2007/2008 and $3.9 million in 2006/2007).

Number of Diamond Certificates Issued: **16,200**

ITI is responsible for providing support to the secondary diamond industry and encouraging the establishment of new manufacturing facilities in the NWT. Manufacturers in the NWT are encouraged to participate in the GNWT Diamond Certification Program. The number of certificates issued in 2008/2009 is down from previous years at: 24,441 for 2007/2008 and 20,921 for 2006/2007.

Milestones (for time period April 1, 2008 to March 31, 2009)

Management of Socio-economic Effects of Resource Development
Implement the MGP Socio-Economic Agreement
Execute MGP SEA sub-agreements
Establish MGP Socio-Economic Advisory Board

Discussions continue on health and transportation sub-agreements. SEA implementation deferred pending JRP report release.

Northern Mining Workforce Initiative MOU
Survey of mine employees created

KEY ACTIVITY 2: ENERGY

Description

ITI leads the development of GNWT energy policy and planning activities that support the sustainable development, generation and use of NWT energy resources, and promote the availability of affordable energy for all NWT residents.

These policy, planning and GNWT-wide coordinating functions, are delivered through the Energy Planning Division with assistance from the ITI Regional offices.

Major Program and Service Initiatives 2010/11

GNWT Energy Priorities Framework – tabled in the Legislative Assembly in October 2008, this Framework identifies GNWT energy priorities and provides the basis for the commitment of $60 million in funding towards a number of energy projects and initiatives. 2010/11 represents Year 2 of a multi-year plan.

NWT Hydro Strategy – The Draft NWT Hydro Strategy is currently out for public comment. Plans are to finalize the Strategy in the summer of 2010.

NWT Electricity Review – Activities for 2010/11 will be directed towards implementation of the recommendations coming out of the 2009/10 Electricity Review process. The over-arching objective is to establish a long term vision and plan for the generation, transmission and distribution of electricity in the NWT.

Natural Gas Conversion – Offers the opportunity to supply a number of communities in the NWT with clean, secure and cost-effective energy. Opportunities associated with construction of the MGP and supply of Natural Gas to communities will contribute to the future economic and energy security of the NWT. In anticipation of the construction of the proposed Mackenzie Valley Pipeline, detailed economic and engineering work will be required to determine the feasibility of converting a number of Mackenzie Valley communities to natural gas for power generation and heating. Building on the results of previous studies for communities, an evaluation of the costs and benefits and a ground engineering feasibility study will be conducted to determine the potential for natural gas conversion of Mackenzie Valley communities.

Four Year Business Plan Update

Results to Date

Support to the Ministerial Energy Coordinating Committee (MECC) – Energy Planning continues to support the MECC in the development of GNWT energy policy and planning initiatives to support the Vision, Goals and Priorities of the 16th Legislative Assembly.

Coordination across Government (GNWT Energy Priorities Framework) – Energy Planning continues to coordinate energy projects and programs across government. The GNWT Energy Priorities Framework, building upon the GNWT Energy Plan (2007) identifies GNWT energy priorities over the coming years.

Industry, Tourism and Investment

Major Energy Policy and Planning Initiatives – ITI leads the development of major policy and planning initiatives, including the Electricity Review, the NWT Hydro Strategy, results reporting, and, in 2011/12, a renewal of the 2007 Energy Plan.

Natural Gas Conversion – Initial analysis indicates that the conversion of Fort Good Hope, Tulita, and Fort Simpson may be feasible for conversion to natural gas heating and power generation. ITI conducted an energy load survey in the community of Fort Simpson in order to assess the average heating costs of commercial, residential and public sector buildings.

Changes to Four Year Plan

No change to the key Energy activities of ITI.

Measures Reporting

Milestones:
Implementation of the Electricity Review in 2010/11

Finalization of the NWT Hydro Strategy in 2010/11

Progress in developing Hydro Projects – This includes identification and breaking ground on the construction of a mini-hydro facility by 2011/12, a decision to construct the Taltson Hydro Expansion to serve NWT diamond mines in 2010/11, and a successful demonstration of in-stream hydro in 2010/11.

Results Report on GNWT-wide Energy Program and Initiatives - based upon the 2007 Energy Plan and the Energy Priorities Framework, will be completed in 2010/11.

Natural Gas Conversion - Feasibility studies for conversion of power generation equipment are complete for Tulita, Fort Good Hope and Fort Simpson.

KEY ACTIVITY 3: TOURISM AND PARKS

Description

ITI develops and implements NWT tourism strategies with partners in the tourism industry, supports and participates in global marketing of tourism, and develops, operates and maintains public tourism facilities, including a system of NWT parks that supports and promotes tourism.

These activities are delivered through the Tourism and Parks Division and ITI's Regional Offices.

Major Program and Service Initiatives 2010/11

Tourism 2015 – Tourism 2010 was a GNWT multi-year tourism plan resourced at $1 million for five years ending on March 31, 2011. The Plan involves funding in five areas: training, product development, infrastructure, research and marketing. Funds are intended to provide benefits on an industry, regional and community scale, and are not intended for individual business support. A new five year plan would begin on April 1, 2011 (to be finalized in 2010/11).

Aboriginal Tourism Engagement Strategy – Development of this Strategy has begun with Aboriginal organization engagement planned for 2009/10 and a Strategy to be formalized in 2010/11.

Tourism Product Diversification and Marketing (TPDM) Program – Will continue to assist tourism businesses to develop new tourism products in response to market opportunities, and diversify the product base of individual businesses and the industry as a whole.

Parks Renewal – Work continues with the enhancement and expansion of current initiatives including cultural interpretation programming, a Parks Marketing Strategy and numerous repair initiatives.

Four Year Business Plan Update

Results to Date

TPDM Program – Since 2007/08 ITI has distributed approximately $3,415,000 in assistance to tourism businesses to develop new tourism products in response to market opportunities, and diversify the product base of individual businesses and the industry as a whole.

Tourism 2010/2015 – Work on the five key areas continues. The absence of federal funding for Strategic Investments in Northern Economic Development (SINED) funding for 2009/10 resulted in ITI scaling back or modifying projects in some cases. A new five year plan is being developed and would begin on April 1, 2011 (to be finalized in 2010/11).

Aboriginal Tourism Engagement Strategy – Development of this Strategy has begun with Aboriginal organization engagement commencing in August 2009 and a Strategy to be formalized in 2010/11.

Parks Renewal – ITI has launched several initiatives to renew the value of our Parks system as a tourism asset, such as: "Parks Branding" to promote NWT parks to residents and non-residents; "Parks Blueprint Plan" to create a series of blueprints for Parks facilities to save ITI money on design work and to provide consistency of facilities throughout the system; and a "Parks Contract Operators Manual" to also provide consistency of program and service delivery.

Changes to Four Year Plan

Marine Safety Training – Transport Canada has revised the Marine Safety Requirements for small non-pleasure vessels, and all Tourism Operators and guides who use motorized boats as part of their business will be required by Transport Canada to attain certain levels of training and certification, creating significant impacts on that sector of the tourism industry. ITI has received $100,000 ongoing to deliver this training to industry stakeholders.

National Marketing Campaign – ITI has been designated the lead on a National Marketing Campaign aimed at attracting southern Canadians to move to the NWT and work and to invest in the NWT. The campaign, starting in 2009/10, will seek the advice of an intergovernmental advisory committee.

Sport Hunt Outfitter Support – ITI received $300,000 to assist the hunting sector through a Sport Hunt Outfitter Marketing Program for 2009/10 and to address issues associated with sport hunting in the NWT. The Program will also receive $580,000 for the next two fiscal years (2010/11 and 2011/12).

Parks On-line Reservation System – In response to internal and public demand, ITI is researching options to improve the on-line reservation system.

Tourism Act – The Department will review options for the future of the Tourist Deposit Assurance Program under the *Tourism Act*.

2010 Visitor Exit Survey - The 2010 Visitor Exit Survey will be conducted throughout the spring, summer and fall of 2010. The survey is ITI's most comprehensive survey and is conducted every four years. The two major objectives of the survey are obtaining an estimate of the total number of visitors and their spending during the survey period, and gathering information on tourist demographics, activities and experiences through detailed interviews.

Northern Tourism Promotions – ITI's destination marketing organization, NWT Tourism, along with counterparts from Nunavut and the Yukon have partnered with the Canadian Tourism Commission in a cost sharing agreement to increase tourism opportunities in the North.

Territorial Parks Regulations - ITI has completed amendments to the *Territorial Parks Regulations* which make a more streamlined and administrable permitting system. Changes based on public consultation have also been implemented, which include fee increases, changes to extended stay camping and the on-line reservation system.

Olympics 2010 – ITI has the lead role in the creation and operation - a collaboration between the NWT and Nunavut territorial governments - of the NWT's official venue (i.e., Arctic House) at the 2010 Olympic Winter Games in Vancouver. The venue will be located on West Hastings Street in Vancouver and will operate as a visitors centre, performance venue, media centre, art gallery, retail space, reception, and meeting space. The space is expected to close after the Games in 2010.

Pan-Northern Marketing Initiative – The Governments of the Yukon, NWT and Nunavut have committed to collaboratively work together to promote the north at the 2010 Winter Olympic Games in Vancouver. An agency of record has been retained to market the north as an opportune place to visit, live and invest.

Tourism Product Development Workshops - Five regional workshops in the administrative centres were delivered. These included discussions on how to differentiate tourism products in a competitive market, product development planning, market research, tourism statistics and marketing advantages.

Tourism Training - The Northern Learning Institute (NLI) received $100,000 from ITI to produce a manual and workbook to deliver Tourism Business Development Planning in the communities. The instructor from NLI trained Economic Development Officers and Regional Tourism Officers in each region to assist the tourism operators in developing their business work plans, product development planning, developing and marketing their products, and financial planning.

Measures Reporting

Measures (for the time period - April 1, 2008 to March 31, 2009)

NWT Visitor Spending **$130,300,000**

A major goal of the Tourism 2010 Plan is to increase NWT visitor spending from approximately $100 million in 2001/02 to $145 million in 2010/11. As at March 31, 2009 NWT visitor spending has increased from $103.8 million in 2001/02 to $130.3 million in 2008/09 There are two fiscal years remaining to meet the $145 million target.

Number of tourism products created or expanded **26**

Product development investment ensures that existing products are enhanced and new products are developed. Investments made under the Tourism Product Diversification and Marketing Program during 2008/09 showed that 26 tourism products were created or expanded.

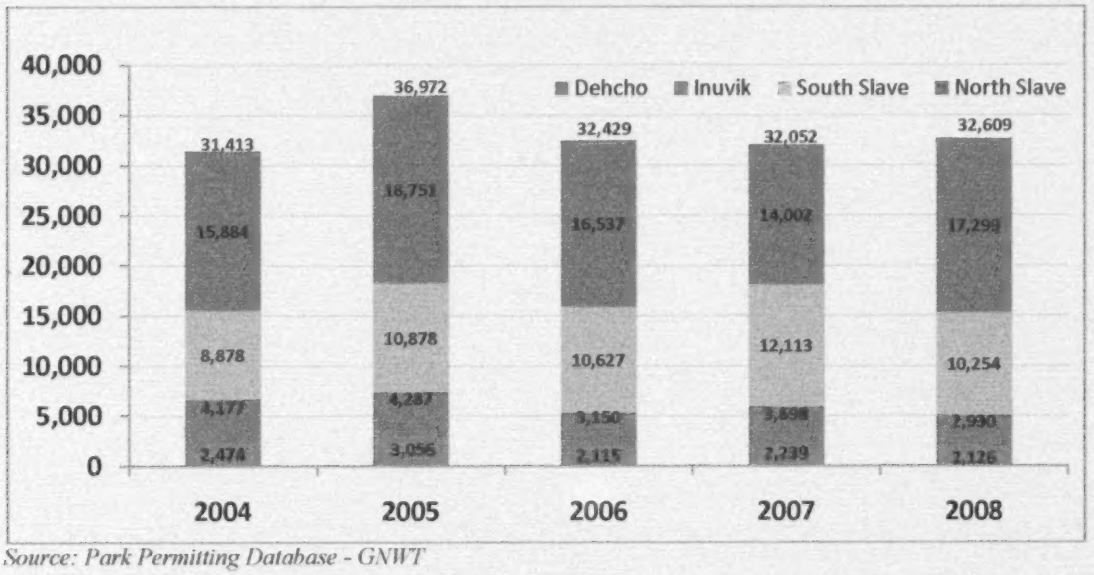
Number of new tourism attractions created/expanded **1**

Infrastructure investment encourages the development of quality tourism attractions and services by the private sector. Bison Interpretive Signage for the South Slave and Dehcho Regions was completed, along with expansions and improvements at the Northern Life Museum in Fort Smith.

Number of visitors using NWT parks, campgrounds and day use areas **32,609**

ITI is responsible for 35 Territorial Parks throughout the five Regions of the NWT and is committed to making parks an enjoyable place for residents and visitors. During the 2008 calendar year, an estimated 32,609 people visited and stayed in our parks; up over 2007 numbers by almost 600 people. The chart below details the visitors by Region.

Chart 12 – Total Park Visits by Region, 2004 to 2008



Source: Park Permitting Database - GNWT

KEY ACTIVITY 4: ECONOMIC DIVERSIFICATION AND BUSINESS SUPPORT

Description

ITI supports and promotes tourism, business investment, and renewable resources to promote business and wage opportunities, and to diversify the economy and develop business opportunities. Specific programs support arts and fine crafts, agriculture, fisheries, trapping and commercial game harvesting.

ITI supports informed decision-making by providing economic data, market intelligence, sector information, and opportunity studies. In conjunction with the NWT Business Development Investment Corporation (BDIC) and Community Futures, ITI provides business advice and access to investment capital.

ITI works with business associations, including the NWT Chamber of Commerce and the NWT Construction Association, to promote the NWT as a place to invest and live.

The Business Incentive Policy (BIP) and GNWT Contracts Registry promote new business opportunities for contracting with the GNWT. A Memorandum of Understanding (MOU) on Government Contracting is maintained with the Sahtu Secretariat Incorporated.

These activities are delivered through the Investment and Economic Analysis (IEA) Division, the NWT BDIC, Community Futures organizations and ITI regional offices.

Major Program and Service Initiatives 2010/11

Support to Entrepreneurs and Economic Development (SEED) Policy – The SEED Policy is the main grants and contributions vehicle through which ITI is able to provide contributions for small and medium size business, for business start-up, improving capacity or skills, equipment, or helping small communities to expand economically.

Community-based Support – Operational funding for community economic development officers and for Community Futures organizations is ongoing.

Enhancing Agriculture – Focused on small commercial venture opportunities, where feasible, to include egg production, syrup production, floriculture, limited livestock, and niche crops.

Minister's Advisory Panel – A Panel representing industry associations, social non-government organizations and Chambers of Commerce formed to provide regular dialogue to the Minister of ITI regarding matters relating to the economy.

Genuine Mackenzie Valley Fur Program (GMVF) – Continuation of GMVF marketing and support programs aimed at supporting trappers in all communities.

Traditional Economy – Continuing Take-a-Kid Trapping programming, with the aim of building new partnerships and securing increased financial participation from partners to address increased demand; consolidation of Local Wildlife Committee and Community Harvesters Assistance Programs to increase and acknowledge community based priorities and decision-making; encouraging the submission of outstanding proposals to the Western Harvesters Assistance Program.

MOUs on GNWT Contracting – ITI will continue to look for ways to work closely with the regions to maximize their participation in economic opportunities in their surrounding areas.

Investment Promotion – in co-operation with NWT business organizations, ITI undertakes targeted marketing to encourage both increased investment in NWT businesses and the creation of new business enterprises.

Internal Trade and International Trade Policy – Engage in negotiations at a national level related to improving the flow of goods and services within Canada with the completion of negotiations on agriculture, dispute resolution and energy. Ensure that the interests of the NWT are protected in trade agreements negotiated by the Government of Canada.

Labour Attraction – In cooperation with the business community support initiatives and the National Marketing Campaign, attract a trained workforce to the NWT. In cooperation with ECE, work towards increased labour mobility within Canada and the development of a Provincial Nominee Program to attract skilled foreign workers. There is also a need to determine the composition and reasons for the increase in outward migration from the NWT.

Attraction of Federal Infrastructure – Develop a business case for the movement of federal staff and associated infrastructure to the NWT. These include the strengthening of military presence and the movement of the northern section of Indian and Northern Affairs Canada.

Business Incentive Policy (BIP) – Following major consultation and reviews over the past few years, ITI will strive through the BIP Monitoring office to improve the GNWT ability to control spending by championing and creating a disciplined culture of cost consciousness for GNWT contract and spending authorities; enhance the GNWT Contracts Over $5,000 Report to include under $5,000 purchase activities; promote the use of the GNWT Contract Registry by corporations, the WSCC, municipalities, academic, schools, and hospitals, thus providing the NWT business community with one standard and central list and results of all tender opportunities; and strive to redefine a "Northern Business" to focus on small business only (those having estimated gross revenues of less than $5 million).

Four Year Business Plan Update

Results to Date

SEED – The SEED Policy has five programs (outlined in the table below). The majority of approved applications were made under the "Micro Business Program", which processed 169 applicants. A majority of approved funding was for "Community Economic Development", which accounted for 48% of the total SEED budget, or $841,000.

SEED Funding over the 2008/09 fiscal year

SEED Program	Payment	% Share
Business Intelligence and Networking	$46,302	3%
Community Economic Development	$840,952	48%
Entrepreneur Support	$474,436	27%
Micro-Business	$382,434	22%
Sector Support	$15,000	1%
	$1,759,123	**100%**

Economic Development Officers - Contributions are provided by ITI to support communities to obtain the services of an Economic Development Officer (EDO). These officers are not GNWT or ITI employees, but report directly to the community. ITI funding supports salary and operations funding to individual communities.

For the 2008/09 fiscal year, 11 communities in the NWT successfully participated in the Community Transfer Initiative. Total funding contributed for 2008/09 was $1,149,095; down slightly from the $1,250,166 allocated in 2007/08 fiscal year. $25,725 of funding was not allocated in 2008/09.

Community Development Office Funding over the 2008/09 fiscal year

	Recipient	Area	Approved 2008/09
1	Akaitcho Business Development	Yellowknife Regional Services	$108,500
2	City of Yellowknife	Yellowknife Regional Services	$50,000
3	Deh Cho Business Development Center	Fort Simpson Regional Services	$108,000
4	Deline First Nation	Deline	$120,540
5	Deninu Ku'e First Nations	Fort Resolution	$77,175
6	Hamlet of Tuktoyaktuk	Tuktoyaktuk	$90,000
7	K'asho Got'ine Charter Community	Fort Good Hope	$119,750
8	Sahtu Business Development Centre	Norman Wells	$120,000
9	Tłı̨chǫ Government	Whatì	$175,260
10	Tsiigehtchic Charter Community	Tsiigehtchic	$59,500
11	Tulita Yamoria Community	Tulita	$120,370
	Total		**$1,149,095**

Falcon Broadband Network – a territorial internet network, installed in 2005 by Falcon Communications Ltd. (Falcon), has been oversubscribed. To deal with the capacity issue Falcon obtained an additional $14.8 million in capital funding for satellite capacity through Infrastructure Canada. It is anticipated that this capacity addition will sustain the network to 2012, allowing more northerners access to affordable broadband services, and allowing time to develop new services that will make the network more efficient and accessible for residents, business and governments. Contributions are provided by ITI to assist the provider with management costs related to the upgrading of the broadband network throughout the NWT. Funding will ensure that critical technology infrastructure remains viable, that Community Service Provider jobs (present in 31 communities) remain in place, and that northern residents and businesses have affordable access to broadband communications technologies.

Western Harvesters Assistance Program - almost $1,000,000 in funding toward economic development initiatives will be matched by various communities throughout the NWT.

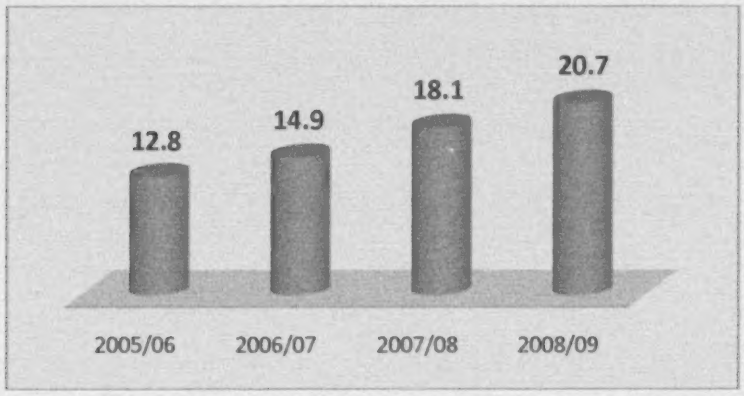
Changes to Four Year Plan

IEA - As a result of the Target Reductions Exercise, the Investment and Evaluation Consultant and the Manager, Investment position were eliminated.

Measures Reporting

Contributions provided by region, community level and sector – Total contributions, as outlined in the following chart, have increased from 12.8 million in 2005/06 to $20.7 million in 2008/09. Over 2008/09, assistance was provided to 1,203 individuals, groups and businesses. The average contribution or grant to each client was $5,726.

Chart 13 – Value of ITI Contributions and Grants by Fiscal Year



The South Slave Region received the largest portion of contribution funding (32%).

Estimated distribution of Grants and Contributions by industry is shown below. Hydro was the second largest target, followed by tourism.

Value of Grants and Contributions by Sector, 2008/09

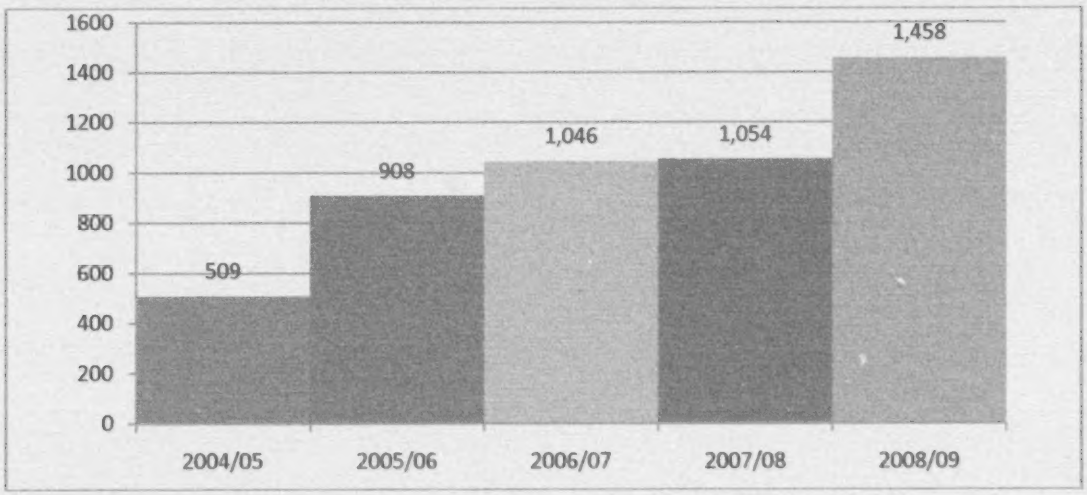
Sector	Funding 2008/09	Percent
Agriculture	$183,546	0.9%
Arts	$457,230	2.2%
Community Development	$381,165	1.8%
Energy Hydro	$4,310,000	20.8%
Minerals	$47,425	0.2%
Oil and Gas	$20,000	0.1%
Other	$21,234	0.1%
Pipeline	$741,427	3.6%
Social/Environmental	$180,000	0.9%
Tourism	$4,180,931	20.2%
General Business Development	$7,842,565	37.9%
Traditional	$2,351,265	11.3%
	$20,716,788	**100%**

Loans and training delivered by Community Futures Development Corps (CFDCs) – 2008/09 saw CFDCs approve 103 loans worth $4,166,843 (compared to 103 loans worth $3,463,762 in the prior year).

Funding levered by contributions – ITI estimates that through its various contribution programs, the Department was able to leverage over $20 million in additional funding.

Take A Kid Trapping – Continues to show a very positive interest and growth trend as the number of participants surged to 1,458 in 2008/09.

Chart 14 – Take a Kid Trapping – Number of Youth Involved



Source: Industry, Tourism and Investment

c) Update on Strategic Activities

STRATEGIC INITIATIVE: MAXIMIZING OPPORTUNITIES

Action: Support Diversification

Description

- **New SEED Policy and Enhanced Funding:** The Support to Entrepreneur and Economic Development (SEED) Policy is a contribution fund to promote business and community economic development, including additional support for targeted sectors.
- **Parks Renewal – Operations, Maintenance and Capital:** Refurbishing the NWT flagship park infrastructure, protecting park buildings of high historical value, and increasing capacity to handle growing demand. Improving safety and security of visitors and park assets.
- **Cultural Interpretations at Parks:** Providing cultural interpretive programs to park visitors to improve the visitor experience.
- **Sport Hunt Outfitter Marketing Support:** Assistance for sports hunting outfitters with marketing initiatives, dealing primarily with barren-ground caribou and polar bear hunts.
- **Falcon Broadband Network:** An initiative to contribute to a more effective delivery of GNWT programs to every region in the NWT, to support conducting online business, and to assist people in communicating and pursuing education opportunities regardless of where they live in the NWT.
- **Tourism Product Diversification and Marketing Program (TPDM):** To help businesses in the tourism industry to diversify and enhance their range of products to support these operators and help attract more visitors to the NWT.
- **Western Harvesters Assistance Program:** Funding toward economic development initiatives will be matched by various communities throughout the NWT.

Activity to Date

- **New SEED Policy and Enhanced Funding**: The SEED Policy has five programs (outlined in the table below); the majority of approved applications were made under the "micro business program", which distributed over $1.7 million to 169 applicants. A majority of approved funding was for "Community Economic Development", which accounted for 48% of the total SEED budget or $840,952.

SEED Funding over 2008/09 fiscal year

SEED Program	Payment	% Share
Business Intelligence & Networking	$46,302	3%
Community Economic Development	$840,952	48%
Entrepreneur Support	$474,436	27%
Micro-Business	$382,434	22%
Sector Support	$15,000	1%
	$1,759,123	**100%**

- **Parks: Renewal, Capital and Operations and Maintenance:** In 2009/10, Parks invested to help renew the value of our Parks system as a tourism asset. Investments included, "Parks Branding" to promote NWT parks to residents and non-residents; "Parks Blueprint Plan" to create a series of blueprints for Parks facilities to save money on design work and provide consistency of facilities throughout the system; and a "Parks Contract Operators' Manual" toward consistency of program and service delivery.
- **Cultural Interpretations at Parks:** In 2009/10, the Department received $250,000 from Strategic Initiatives for cultural interpretation projects. Also in 2009/10, funding for the program moved from Strategic Initiative Funding to core funding.
- **Sport Hunt Outfitter Marketing Support:** Launched in 2009/10 to assist sports hunting outfitters with marketing initiatives. Strategies include targeting new markets for polar bear sport hunts (such as Mexico and Europe) and refocusing markets to non-consumptive product offerings (such as polar bear observation tours). Marketing will also help caribou outfitters promote that sector.
- **Falcon Broadband Network:** In 2009/10 ITI initiated this program to help meet administrative obligations due to a $14.8 million capital expansion of the broadband network in the NWT. ITI is helping support this initiative to help enhance service delivery.
- **Tourism Product Diversification and Marketing (TPDM) Program** – Since 2007/08 ITI has distributed approximately $3,415,000 in assistance to tourism businesses to develop new tourism products in response to market opportunities, and diversify the product base of individual businesses and the industry as a whole.
- **Western Harvesters Assistance Program:** When first initiated, this program started with an initial balance of $15,000,000 in funding toward economic development initiatives to be matched by various communities throughout the NWT. This program is now almost fully subscribed, with approximately $650,000 remaining.

Planned Activities – 2010/11

- **New SEED Policy and Enhanced Funding**: Due to the demand of this program throughout the NWT, $300,000 was added in the 2010/11 fiscal year, bringing total program funding availability to $2,050,000.
- **Parks: Renewal, Capital and Operations and Maintenance:** In 2010/11, further parks renewal efforts are scheduled to help with badly needed upgrades to infrastructure.
- **Cultural Interpretations at Parks:** Ongoing, through core funding to provide cultural interpretive programs to park visitors to improve the visitor experience.
- **Sport Hunt Outfitter Marketing Support:** 2010/11 will be the second of a three-year initiative to assist sports hunting outfitters with marketing initiatives.
- **Falcon Broadband Network:** 2010/11 will be the second year of this four-year program to help meet the administrative obligations due to a $14.8 million capital expansion of the broadband network in the NWT.
- **Tourism Product Diversification and Marketing (TPDM) Program** – This program is ongoing through 2010/11 to assist tourism businesses to develop new tourism products in response to market opportunities and to diversify the product base of individual businesses and the industry as a whole.
- **Western Harvesters Assistance Program:** Program funding is almost fully subscribed, with $650,000 remaining for allocation. The aim would be to encourage final disbursement of

remaining funds in the 2010/11 fiscal year. Groups able to access these remaining funds are listed below:

Outstanding by Group/Region	
Dene	
West Point	49,520
Trout Lake	79,700
Hay River	313,626
Liidli Kue	5,470
	$448,316
Métis	
Fort Simpson	144,330
Ft. Liard	30,928
Ft. Resolution	18,094
	$193,352

Planned Activities – 2011/12 and Future Years

- **New SEED Policy and Enhanced Funding**: ITI will continue to administer this program, which currently has an annual budget $2,050,000, through its regional office.
- **Parks Renewal, Capital and Operations and Maintenance:** In 2011/12, efforts will continue to improve infrastructure and upgrade facilities.
- **Cultural Interpretations at Parks:** Ongoing, through core funding to provide cultural interpretive programs to park visitors to improve the visitor experience.
- **Sport Hunt Outfitter Marketing Support:** 2011/12 will be the final year of this three-year initiative to assist sports hunting outfitters with marketing initiatives.
- **Falcon Broadband Network:** This program is expected to carry on until 2012/13 and is designed to help meet the administrative obligations due to a $14.8 million capital expansion of the broadband network in the NWT.
- **Tourism Product Diversification and Marketing (TPDM) Program** – This program is ongoing through 2011/12 to assist tourism businesses to develop new tourism products in response to market opportunities, and diversify the product base of individual businesses and the industry as a whole.
- **Western Harvesters Assistance Program:** Any program funding remaining from the original $15 million commitment is to be expended until the program is fully subscribed.

Action: Promote the NWT as a Place to Visit and Live

Description

- **Promote the NWT at 2010 Olympics:** ITI will provide Cultural ambassadorship opportunities for up to 16 NWT visual artists to participate at the upcoming 2010 Olympics. Areas of focus and concentration will be: highlighting talent during the Northern Weekend, retailing product and product creation demonstrations, storytelling, and workshops. ITI will work with Yukon and Nunavut to leverage national and international exposure offered by the 2010 Olympics in British Columbia, to promote the NWT as a premier destination to visit, live and invest. There is also an international market for arts and fine crafts products that will be targeted at these events, to help develop a market niche for the NWT.
- **National Marketing Campaign:** A strategy that will build global awareness and a distinct identity for all NWT artists. This campaign will increase sales, and promote fairness and quality through economic diversification, support services and marketing and promotion. ITI will work with Yukon and Nunavut to develop a cooperative advertising campaign to promote the North for investment, as a travel destination, and as a place to live.
- **Promote NWT Artists / Arts and Fine Crafts Production:** This initiative will increase the economic impact and production of arts products in the NWT and maximize the delivery of programs and services to NWT artists by implementing identified items in the NWT Arts Strategy.

Activity to Date

- **Promote the NWT at 2010 Olympics:** ITI has begun work on the creation of an official Olympic venue in Vancouver to be opened ahead of the games in February 2010. The venue is in partnership with the Government of Nunavut. The venue is expected to close after the games.
- **National Marketing Campaign:** An intergovernmental advisory group has been formed to provide input on the direction of the campaign and its focus on living and working in the NWT. Key markets will be identified and work is ongoing.
- **Promote NWT Artists / Arts and Fine Crafts Production:** ITI annually provides each regional office with funding of up to $25,000 to support artists with the purchase of traditional raw materials to stimulate the production of arts and fine crafts. In addition, ITI administers a budget of $125,000 to support the delivery of programming and services that are identified by the NWT Arts Strategy's Action Plan.

Planned Activities – 2010/11

- **Promote the NWT at 2010 Olympics:** Following the NWT presence at the 2010 Olympics, ITI has set up local Vancouver retailers to meet with various NWT Artists who are interested in potential retailing opportunities and partnerships. This will provide national exposure for many NWT artists and an avenue for them to retail outside the NWT.
- **National Marketing Campaign:** A Strategy will be in place to build global awareness and a distinct identity for all NWT artists that will increase sales, promote fairness and quality value through economic diversification, support and services, marketing and promotion.

- **Promote NWT Artists / Arts and Fine Crafts Production:** ITI's plan in 2010/11 is to maximize the delivery of programs and services to NWT artists by implementing identified items in the NWT Arts Strategy.

Planned Activities – 2011/12 and Future Years

- **Promote the NWT at 2010 Olympics:** This initiative will be completed in 2010/11.
- **National Marketing Campaign:** The strategy in place for this initiative will carry on and is scheduled to sunset in 2012/13.
- **Promote NWT Artists / Arts and Fine Crafts Production:** This is an ongoing initiative.

Action: Maximize Benefits from Resource Development and Related Initiatives

Description

- **MGP Strategic Investment:** ITI provides overall government leadership on the MGP file, to ensure that the MGP is constructed and operated in a manner that minimizes potential environmental and socio-economic impacts on the residents of the NWT while ensuring that residents benefit to the greatest degree possible. ITI provides support to Aboriginal organizations, businesses, and communities in their preparations to take advantage of MGP opportunities.
- **Environmental Management Opportunities:** This initiative will initiate the baseline information process to ensure that NWT residents maximize their opportunities to take advantage of environmental management opportunities by identifying economic development opportunities associated with environmental management activities and monitoring.
- **Maximizing Northern Residency – Mining Workforce Initiative MOU:** This proposed activity connects to the Mining Workforce Initiative MOU, signed by the GNWT and the three NWT diamond mines (BHP Billiton, Diavik Diamond Mines Inc., and De Beers Canada Inc.). ITI will work to address one of the two key priorities of the MOU, which is to increase the number of mine employees living in the NWT through promoting the high quality of life in the NWT.
- **Taltson Hydro Expansion:** ITI funds and supports the NWT Energy Corporation (03) Ltd. in the expansion of the Taltson Hydro System to supply NWT diamond mines with hydroelectric power.

Activity to Date

- **MGP Strategic Investment:** In 2008/09, ITI provided financial support to the Aboriginal Pipeline Group (APG), supported affected Aboriginal governments with capacity building contribution funding, provided financial support to the Dehcho First Nation for the negotiation of Access and Benefits Agreements, and assisted the Gwich'in Tribal Council in developing a protocol for the issuance of petroleum exploration rights on their sub-surface owned lands. ITI conducted a detailed investigation of the economics of converting three NWT communities to natural gas heating and power generation; and represented the GNWT in the development and completion of the Regulators Implementation Plan for the coordination of the permitting phase of the MGP.

  In 2009/10, ITI provided increased financial support to the APG and supported affected Aboriginal Governments with capacity-building contribution funding. ITI represented the GNWT on the intergovernmental Regional Executive Committee, working collaboratively with the Federal Government and other regulators, in the coordination of the regulatory review and permitting process for the MGP. ITI continued investigations into the economics of converting three NWT communities to natural gas heating and power generation.

Through 2008/09 and 2009/10, ITI continued to work as the lead department for the GNWT's interventions before the Alberta Energy and Utilities Board – Natural Gas Liquids Inquiry, as well as before the National Energy Board (NEB) for the MGP, and the TransCanada Alberta system jurisdictional review hearings.

- **Environmental Management Opportunities:** In 2009/10 ITI managed $250,000 of contribution funding for the delivery of four Environmental Monitor Training programs in the Inuvialuit, Gwich'in, Sahtu, and Dehcho regions. These training programs were delivered through Aurora College in communities selected by the regional Aboriginal organizations. This initiative received funding for a single year only; therefore, no further activity other than program evaluation is planned for this strategic investment.
- **Maximizing Northern Residency – Mining Workforce Initiative MOU:** ITI has worked with the NWT Bureau of Statistics and the three NWT diamond mines to develop and conduct a survey of mine employees, to determine why they choose to live in the NWT or not. ITI has also worked with other GNWT departments, the three diamond mines, and mayors of the NWT communities most able to accommodate new residents, to prepare for action once the survey results are released.
- **Taltson Hydro Expansion:** Significant technical, environmental and pre-construction work is completed on the Taltson Hydro Expansion Project. The Project is currently in the environmental assessment process and a final decision is expected from the Mackenzie Valley Environmental Impact Review Board in late 2009.

Planned Activities – 2010/11

- **MGP Strategic Investment:** ITI will support the development of the MGP and related induced development by providing leadership and coordination, to ensure policy development and actions that result in NWT residents achieving the greatest possible benefits of these developments, while minimizing any potential negative impacts. ITI will lead for the GNWT's interventions before the Alberta Energy and Utilities Board – Natural Gas Liquids Inquiry, and before the NEB for the MGP and the TransCanada jurisdictional reviews hearings.

  Activities planned by Mackenzie Valley Pipeline Office (MVPO) for the year 2010/11 include:

  - Continue to lead the coordination, development, and communication of GNWT positions and engagement in the MGP.
  - Implement a community consultation and engagement strategy to inform stakeholders of GNWT activities relating to the MGP, and to understand community issues.
  - Continue to support Aboriginal businesses and governments in their preparations for the MGP, through financial contributions to the APG, and support through the delivery of the Aboriginal Capacity Building Contribution Program.
  - Coordinate interdepartmental activities relating to the MGP, including participation with other orders of government in the JRP response and regulatory coordination processes.
  - Represent the GNWT at the resumption of the NEB MGP hearings.
  - Respond to expected new fiscal arrangements for the MGP, and federal investment in regulatory streamlining and public infrastructure.
  - Continue to facilitate GNWT support for the MGP SEA and its associated sub-agreements, including the establishment of the MGP Socio-Economic Advisory Board.

- ***Environmental Management Opportunities:*** *Initiative complete in 2009/10.*

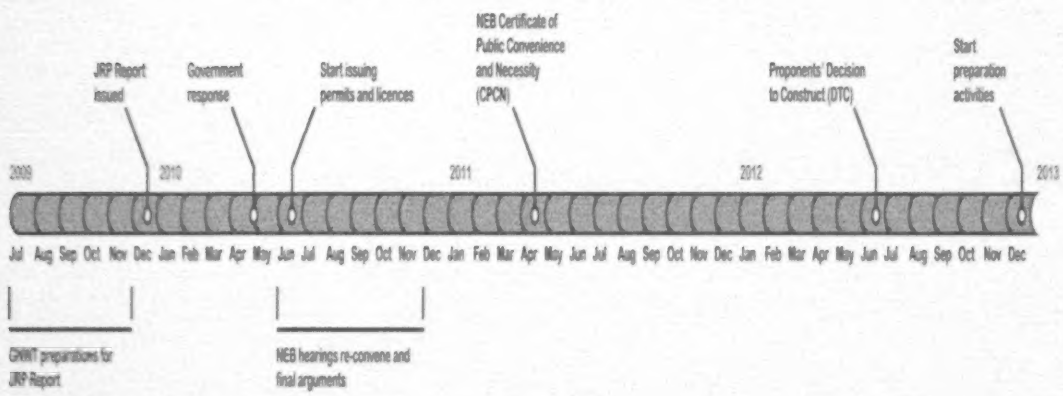
- **Maximizing Northern Residency – Mining Workforce Initiative MOU:** ITI will create a term position to analyze what can be done to maximize the number of Northern residents working at the NWT diamond mines. This term position will run from 2010/11 until 2012/13.
- **Taltson Hydro Expansion:** If the decision is made to proceed with development, construction will be completed over the 2010/11 and 2011/12 fiscal years. Power should be supplied to NWT diamond mines in 2013.

Planned Activities – 2011/12 and Future Years

- **MGP Strategic Investment:** ITI will continue to lead the coordination and communication of MGP activities for the GNWT. The GNWT will continue to provide contribution support for capacity building of Aboriginal governments and businesses in the affected regions, and for the administrative costs of the APG. The MVPO will be leading on the implementation and administration of the activities associated with the SEA, including the operations of the MGP Socio-Economic Advisory Board. Once construction commences it is expected that ITI will continue to provide the government leadership on the MGP file and will be working to insure that negative impacts are avoided or minimized, while positive impacts and benefits are realized, particularly in the areas of ensuring employment, training for northern residents, and contracting and procurement opportunities for northern businesses.

  ITI will also continue to represent the GNWT's interest through the completion of the Environmental Assessment and Regulatory Review processes, through to the issuance of a Certificate of Public Convenience and Necessity by the NEB of Canada.
- **Environmental Management Opportunities:** Initiative complete in 2009/10.
- **Maximizing Northern Residency – Mining Workforce Initiative MOU:** This term position will run from 2010/11 until 2012/13.
- **Taltson Hydro Expansion:** If the decision is made to proceed with development, construction will be completed over the 2010/11 and 2011/12 fiscal years. Power should be supplied to NWT diamond mines in 2013.

MGP - POTENTIAL TIMELINE - JULY 2009


JRP Report issued
Government response
Start issuing permits and licences
NEB Certificate of Public Convenience and Necessity (CPCN)
Proponents' Decision to Construct (DTC)
Start preparation activities
2009
2010
2011
2012
2013
Jul Aug Sep Oct Nov Dec Jan Feb Mar Apr May Jun Jul Aug Sep Oct Nov Dec Jan Feb Mar Apr May Jun Jul Aug Sep Oct Nov Dec Jan Feb Mar Apr May Jun Jul Aug Sep Oct Nov Dec
GNWT preparations for JRP Report
NEB hearings re-convene and final arguments

STRATEGIC INITIATIVE: REDUCING THE COST OF LIVING

Action: Improve the Quality and Cost of Shelter

Description

- **NWT Hydro Strategy:** Will establish a long-term approach to planning and investment in the NWT's world-class hydro development potential. As the economic and environmental costs of fossil fuels continue to increase, continued development of NWT hydro resources will be part of the long-term solution.

Activity to Date

- **NWT Hydro Strategy:** The draft NWT Hydro Strategy was tabled in the Legislative Assembly in October 2008. Copies of the document have been sent to major stakeholders and Aboriginal and municipal governments for their review. An open invitation for community consultations upon request has also been made.

Planned Activities – 2010/11

- **NWT Hydro Strategy:** Once consultations, as well as additional research and analysis with respect to NWT hydro potential have been completed, a final NWT Hydro Strategy will be released in the summer of 2010.

Planned Activities – 2011/12 and Future Years

- **NWT Hydro Strategy:** Compilation of baseline environmental and engineering data will provide the basis for identification of emerging hydro development opportunities, including mini-hydro solutions for individual communities as well as mid-to-large size hydro to meet the needs of development. In the long-term, there is the potential to export hydro to southern markets.

Action: Address Factors that Impact the Cost of Living

Description

- **Review Electricity Rates, Regulation and Subsidies:** The Electricity Review will ensure that the NWT electricity system reflects the values of NWT residents, considers the unique circumstances of the NWT market, and is best-positioned to provide reliable and affordable power to NWT communities and residents.
- **Promote and Support Commercial Harvesting / Processing:** A Program designed to increase food production in communities across the NWT.
- **Agriculture Development Infrastructure:** A Program designed to promote the design, development and implementation of infrastructure that allows for a lengthened growing season without adding to overhead costs.
- **Energy Plan Renewal:** The NWT Energy Plan released in 2007 requires updating. Renewal is to begin in 2010/11 and be completed in 2011/12.

Activity to Date

- **Review Electricity Rates, Regulation and Subsidies:** A Public Discussion Paper on the Electricity Review was released in 2008/09 and public consultations have been completed. The Final Report of the Electricity Review Team is being released in the fall of 2009 and the GNWT Response and Implementation Plan is to be finalized in early 2010.
- **Promote and Support Commercial Harvesting / Processing:** Over the past several years investment has been directed to increasing food production in communities across the NWT. The Small Scale Foods Program, along with commercial game meat and fish production aimed at local markets, has increased as a result of investment.
- **Agriculture Development Infrastructure:** Broad community acceptance of the Small Scale Foods Program has given rise to interest in the design, development and implementation of infrastructure that allows for a lengthened growing season without adding to overhead costs.
- **Energy Plan Renewal:** In 2007, the NWT Energy Plan was released to guide and support decisions regarding the future development, generation and use of energy in the NWT. As a follow-up to that Strategy, the NWT Energy Plan will need to be revised. Renewal will begin in 2010/11.

Planned Activities – 2010/11

- **Review Electricity Rates, Regulation and Subsidies:** The GNWT will proceed with the implementation plan.
- **Promote and Support Commercial Harvesting / Processing:** Over the next four years there are plans to continue investments aimed at expansion and development of the food production sector. The aim is to create a stable secure supply of food not only for subsistence but also for sale through local and export markets. The aim of the program is to work with NWT food producers in the design, development, marketing and promotion of the full spectrum of food products aimed at the wholesale/retail/tourism markets. Initiatives will include research/product/packaging design, development and promotion.

- **Agriculture Development Infrastructure:** Working with new federal government programming in support of clients, the Department will encourage and promote research and carry out programs aimed at increasing efficiencies, lowering costs and increasing yields in local food production systems, with the aim of increasing availability of locally produced food in local markets.
- **Energy Plan Renewal:** The NWT Energy Plan released in 2007 requires updating. Renewal will begin in 2010/11.

Planned Activities – 2011/12 and Future Years

- **Review Electricity Rates, Regulation and Subsidies:** Complete implementation of the Electricity Review if required.
- **Promote and Support Commercial Harvesting / Processing:** Ongoing
- **Agriculture Development Infrastructure:** Ongoing
- **Energy Plan Renewal:** The NWT Energy Plan released in 2007 will be updated in 2010/11 and completed in 2011/12.

STRATEGIC INITIATIVE: BUILDING OUR FUTURE

Action: Expand Programming for Children and Youth

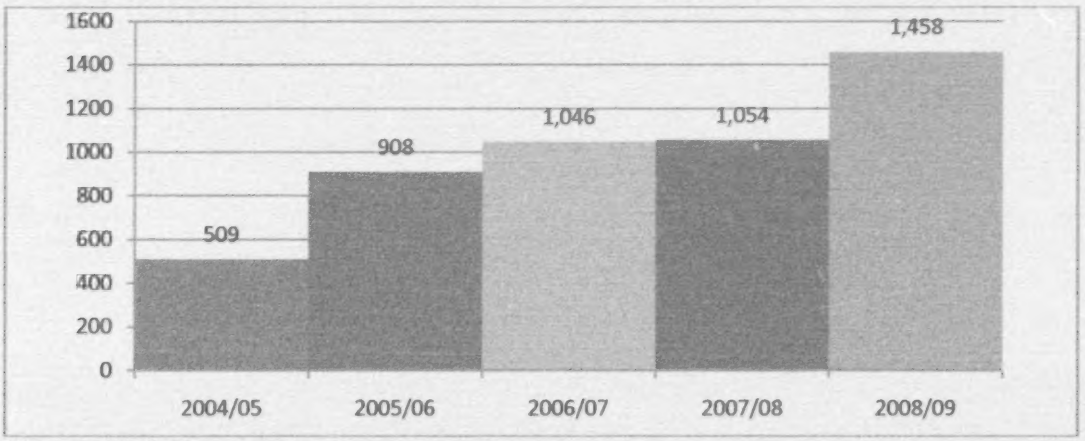
Description

- **Take a Kid Trapping:** Through the Traditional Economy portfolio, ITI is expanding its Take a Kid Trapping program. This program provides funding to organizations such as schools to provide on-the-land, hands-on learning opportunities to youth related to traditional activities such as hunting and trapping. Take a Kid Trapping provides a means to introduce youth to traditional lifestyles, some of whom might continue these activities as adults.

Activity to Date

- **Take a Kid Trapping:** ITI provides funding in collaboration with the Department of Municipal and Community Affairs to initiatives conducted in Regions that orient youth to traditional lifeskills. Since inception of the program in 2002, it has been delivered to over 4,000 school age youth throughout the NWT. 2008/09 saw the largest uptake to-date, with 1,458 registrants.

Chart 15 – Take a Kid Trapping – Number of Youth Involved



Planned Activities – 2010/11

- **Take a Kid Trapping:** The program through the Canada-NWT Bilateral Agreement "Growing Forward" will be expanded to include programs for youth specifically aimed at harvesting and processing food from the land. GNWT program dollars are being used to lever additional funds from the federal government. The anticipation is that the participation will continue to increase.

Planned Activities – 2011/12 and Future Years

- **Take a Kid Trapping:** Growth in uptake is anticipated in all Regions of the NWT.

STRATEGIC INITIATIVE: MANAGING THIS LAND

Action: Environmental Stewardship

Description

- **Protected Areas Strategy (PAS) Analyst:** This initiative is to provide the Dehcho regional office with the capacity and funding necessary to coordinate, review and evaluate the creation of one or more new territorial parks in the Dehcho region to fulfil the GNWT commitment under the PAS.

Activity to Date

- **PAS Analyst:** This initiative starts in 2010/11.

Planned Activities – 2010/11

- **PAS Analyst:** Scheduled to start in 2010/11, this initiative is to provide the Dehcho regional office the capacity and funding necessary to coordinate, review and evaluate the creation of one or more new territorial parks in the Dehcho Region. Two expressions of interest already to be reviewed include: the proposed Pehdzeh Ki Ndeh area located east of Wrigley; and the proposed Five Lakes area (i.e., Deep, Gargan, Ekali, McGill, and Sanguez Lakes) located southwest of Jean Marie River.

Planned Activities – 2011/12 and Future Years

- **PAS Analyst:** This initiative is scheduled to sunset in 2014/15. It is expected that one or two new territorial parks in the Dehcho Region will be recommended by that time.

Action: Mitigate and Adapt to Climate Change Impacts

Description

- **Łutselk'e Mini Hydro Facility:** This facility is a proposed 500 kilowatt to 1 megawatt hydro facility located on the Snowdrift River. Development of such a facility will relegate diesel generation to being a back-up source of power generation in the community.
- **Whatì Mini Hydro/Transmission Line:** Analysis is being conducted with respect to two potential hydro solutions for the community of Whatì - development of a 1 megawatt hydro facility or connection to the North Slave grid via a transmission line.
- **Fort Providence Transmission Line:** This Project is to determine the feasibility of extending the transmission line Enterprise to Fort Providence, Kakisa and Dory Point to displace current diesel generation.
- **Sahtu Hydro Assessment/Bear River Feasibility:** A regional hydro electric assessment of the Sahtu Region will be completed that will include an examination of all viable energy options for communities and potential industrial customers in the region. This will include a Sahtu Hydro Symposium to be held in the Region in 2009/10.
- **Natural Gas Conversion:** Natural Gas offers the opportunity to supply a number of communities in the NWT with clean, secure and cost-effective energy. Opportunities associated with construction of the MGP and supply of Natural Gas to communities will contribute to the future economic and energy security of the NWT.
- **In-Stream Hydro:** In-stream hydro is a test project involving a 25 kilowatt hydrokinetic turbine that utilizes the natural flow of the river to generate power. The Project is planned for Fort Simpson.
- **Expansion of Residual Heat:** Utilizes waste heat from electricity generators for space heating, distributed through a district heating system. The first project is planned for Fort Liard.

Activity to Date

- **Łutselk'e Mini Hydro Facility:** A preliminary engineering report was completed in April 2009 detailing the results of field investigations on hydraulic assessment of the river, preliminary design of the power structures and transmission line, and a preliminary capital cost estimate.
- **Whatì Mini Hydro/Transmission Line:** A preliminary feasibility study for a 1 megawatt hydro facility has been completed and baseline information gathering for permitting is underway. A desktop cost analysis for the transmission line has also been completed.
- **Fort Providence Transmission Line:** ITI has entered into a Contribution agreement with Northlands Utilities Limited to undertake an initial feasibility study on extending the transmission line to Fort Providence.
- **Sahtu Hydro Assessment/Bear River Feasibility:** A hydro assessment in the Sahtu has been completed and future work in the Region will be guided by the outcomes of a Sahtu Hydro Symposium.

- **Natural Gas Conversion:** An updated natural gas conversion feasibility study was completed in 2008. This study indicates that it appears to be marginally economical for the communities of Fort Simpson, Fort Good Hope and Tulita to convert to natural gas. In 2009/10 an energy load survey was carried out to assess the heating cost for the community of Fort Simpson.
- **In-Stream Hydro:** The equipment and permits have been acquired to allow for a full year of testing for this emerging technology during the summer and fall of 2010.
- **Expansion of Residual Heat:** A residual heating system will be completed in Fort Liard in 2009/10. Feasibility studies have also been completed for systems in Inuvik and Fort Simpson.

Planned Activities – 2010/11

- **Łutselk'e Mini Hydro Facility:** Based on completed work, construction on the project may begin in 2010/11.
- **Whatì Mini Hydro/Transmission Line:** A decision will be made on either: the transmission line option, a mini-hydro facility, or a larger development on the La Marte River, to meet the growing power requirements in the North Slave Region. A larger facility (7-13 megawatts) is being studied by the Tłı̨chǫ Investment Corporation and the community of Whatì.
- **Fort Providence Transmission Line:** The technical feasibility study will be completed and a decision on whether to proceed with the Project will be made in 2010/11.
- **Sahtu Hydro Assessment/Bear River Feasibility:** Further work in the Sahtu will be based on the Sahtu Hydro Assessment and the outcomes of the Sahtu Hydro Symposium.
- **Natural Gas Conversion:** Building on the results of previous studies for communities, as well as progress of the proposed Mackenzie Valley Pipeline, a ground engineering feasibility study will be conducted to continue the evaluation of the costs and benefits for potential for natural gas conversion of the communities of Tulita, Fort Good Hope and Fort Simpson.
- **In-Stream Hydro:** In addition to testing this technology at Fort Simpson with a 25 kilowatt system, a 5 kilowatt system may be tested at a ferry operation on the Mackenzie River.
- **Expansion of Residual Heat:** A residual heating system will be completed in Inuvik in 2010/11.

Planned Activities – 2011/12 and Future Years

- **Łutselk'e Mini Hydro Facility:** Construction will be well underway or completed.
- **Whatì Mini Hydro/Transmission Line:** Depending on the development option chosen, pre-construction activities should be underway.
- **Fort Providence Transmission Line:** Depending upon the results of earlier work, construction should be well underway.
- **Sahtu Hydro Assessment/Bear River Feasibility:** To be determined, based on the Sahtu Hydro Assessment and the outcomes of the Sahtu Hydro Symposium.
- **Natural Gas Conversion:** Further engineering work and potential synergies for construction with the development of the proposed Mackenzie Valley Pipeline will be examined.
- **In-Stream Hydro:** Testing of this technology will continue, and based upon success, an additional 25 kilowatt turbine may be deployed at a Mackenzie Valley community.
- **Expansion of Residual Heat:** A new residual heating system will be developed, currently planned for Fort Simpson.

d) Overview of Infrastructure Investment

Activity to Date

Major infrastructure projects that ITI undertook during the 2009/10 fiscal year are as follows:

- **Large Capital:** Significant capital investment in the Doi T'oh Territorial Park and CANOL Heritage Trail has been deferred until the land transfer for the Park from the Federal Government to the GNWT occurs; this transfer is at least five years down the road, due to issues around assessment and clean-up of contaminated sites in the area of the proposed Park.
- **Large Capital:** Work on the 60th Parallel Visitor Centre replacement is underway with the building being torn down, a temporary replacement installed, and the construction of a new centre started. Work is slated to continue until 2011/12, with a warranty year to ensure the building is functioning properly.
- **Small Capital:** A number of small capital projects for parks and campgrounds have been completed; these projects deal primarily with improvements to buildings (kitchen shelters, shower buildings), expansion of campsite loops, and access road upgrades.
- **Federal Stimulus Package:** ITI submitted applications and received funding from the federal government's stimulus package for the following projects:
  - Construction of a trail from the community of Enterprise to Twin Falls Territorial Park;
  - Refurbishment of the shower building at Fred Henne Territorial Park;
  - A kitchen shelter at North Arm Territorial Park;
  - Upgrades to wayside parks in the North Slave Region; and
  - Trail development in the North Slave Region.

Planned Activities – 2010/11

There are number of projects being planned for 2010/11 in the Capital Plan.

- **Large Capital:** Completion of the Visitor Information Centre 60th Parallel, and work on the Doi T'oh Territorial Park and CANOL Heritage Trail.
- **Small Capital:** Tourism and Parks has planned several small capital projects that primarily deal with visitor safety, protection of assets and parks aesthetics, including a new viewpoint in Sambaa Deh Territorial Park, trail development in the South Slave, recreation facilities in Inuvik and improvements at Fred Henne Territorial Park.
- **Federal Stimulus Package:** ITI submitted an application for the federal government's stimulus package to build a shower building in Prelude Lake Territorial Park.

Planned Activities – 2011/12

The major capital activities planned for future years include:

- **Large Capital:** Continuation of work related to the Doi T'oh Territorial Park and CANOL Heritage Trail, parks renewal items at numerous NWT parks, and the completion of the warranty year for the 60th Parallel Visitor Information Centre.

e) Legislative Initiatives

Activity to Date

Cooperative Associations Act – requires amendment to reflect needs of the co-op sector in terms of reporting requirements and filing. ITI also wishes to modernize the legislation in keeping with developments in this sector, both nationally and within the NWT. Representatives from ITI and the Department of Justice have been assigned to a working group to review the Act, and research for the development of a legislative proposal is in the early stages. Amendments will not occur before 2010/11.

Planned Activities – 2010/11

Agricultural Products Marketing Act – Changes to the Act may be required to reflect the evolution of the egg industry in the NWT, so that the Minister has the necessary authority to ensure the industry is developing in a manner that benefits the NWT. ITI is currently reviewing the status of the NWT egg industry, and legislative amendments may be identified upon completion of the review.

Tourism Act – Upon the introduction of the *Tourism Act* in 2007, commitments were made to review the Tourist Deposit Assurance Program. Upon completion of a review of the Program, amendments to the *Tourism Act* may be identified.

Planned Activities – 2011/12

Devolution-Related Legislation – Dependant on outcomes of devolution negotiations, it may be necessary to develop statutory authority for federally devolved authorities.

Other – Amendments to regulations under the *NWT Business Development and Investment Corporation Act* and the *Tourism Act* may be developed. It is foreseeable that in preparation of amendments to these regulations, minor amendments to the corresponding acts could be identified as well.

f) Human Resource Overview

Overall Human Resource Statistics

All Employees

	2009	%	2008	%	2007	%	2006	%
Total	158	100	192	100	175	100	180	100
Indigenous Employees	80	51	98	51	94	54	85	47
Aboriginal	48	30	58	30	52	30	48	27
Non-Aboriginal	32	20	40	21	42	24	37	21
Non-Indigenous Employees	78	49	94	49	81	46	95	53

Note: Information as of March 31 each year.

Senior Management Employees

	2009	%	2008	%	2007	%	2006	%
Total	18	100	23	100	21	100	22	100
Indigenous Employees	7	39	8	35	8	38	7	32
Aboriginal	1	5	1	4	1	5	2	9
Non-Aboriginal	6	33	7	30	7	33	5	23
Non-Indigenous Employees	11	61	15	65	13	62	15	68
Male	15	83	19	83	17	81	18	82
Female	3	17	4	17	4	19	4	18

Note: Information as of March 31 each year.

Non-Traditional Occupations

	2009	%	2008	%	2007	%	2006	%
Total	6	100	30	100	23	100	12	100
Female	1	17	8	27	6	26	5	42
Male	5	83	22	73	17	74	7	58

Note: Information as of March 31 each year.

Employees with Disabilities

	2009	%	2008	%	2007	%	2006	%
Total	0	0	1	100	0	0	0	0
Employees with Disabilities	0	0	1	100	0	0	0	0
Other	0	0	0	0	0	0	0	0

Note: Information as of March 31 each year.

Position Reconciliation

This information differs from the employee information on the preceding page. Employee information reflects actual employees on March 31 of each year, and the information presented below reflects position expenditures approved through the budget process for each fiscal year as at July 15, 2009.

Active Positions

Summary:

	2009-10 Main Estimates	Change	2010-11 Business Plan
Total	163	4	167
Indeterminate full-time	148	4	152
Indeterminate part-time	2	0	2
Seasonal	13	0	13

Adjustments during the Year:

Position	Community	Region	Added/ Deleted	Explanation
Senior Industrial Initiatives Analyst	Yellowknife	HQ	deleted – FT	2 yr -Term Complete
Workforce MOU Residency Analyst	Yellowknife	HQ	added – FT	Strategic Initiative
Protected Areas Strategy Analyst	Fort Simpson	Dehcho	added – FT	Strategic Initiative
Regulatory Land & Resource Analyst	Fort Simpson	Dehcho	added – FT	Forced Growth
Geomatics Specialist	Yellowknife	HQ	added – FT	Forced Growth
Conference & Communications Coordinator	Yellowknife	HQ	added – FT	Internal Reallocation

Other Human Resource Information

One of the stated priorities of the Legislative Assembly is to "improve human resource management within the GNWT through training, career planning, and encouraging innovation by employees." To address this priority, the Department of Human Resources is leading the development of a Corporate Human Resource Strategy for the NWT Public Service. The completion of this overall strategy will provide a framework for the development of departmental human resource plans and initiatives, including the development of succession plans and affirmative action plans. This work will be undertaken during the 2009/10 fiscal year and will ensure a consistent and coordinated approach across government, providing equitable opportunities for all staff.

The tables below indicate the statistics on the Department's human resource activities with respect to summer students, interns and transfer assignments for 2008.

Summer Students				
Total Students	Indigenous Employees (Aboriginal + Non Aboriginal)	Indigenous Aboriginal	Indigenous Non-Aboriginal	Non-Indigenous
32	30	12	18	2

Interns				
Total Interns	Indigenous Employees (Aboriginal + Non Aboriginal)	Indigenous Aboriginal	Indigenous Non-Aboriginal	Non-Indigenous
2	1	0	1	1

Transfer Assignments				
Total Transfer Assignments	Indigenous Employees (Aboriginal + Non Aboriginal)	Indigenous Aboriginal	Indigenous Non-Aboriginal	Non-Indigenous
11	5	3	2	6

g) Information System & Management

Overview

Through the establishment of Shared Services, the Departments of Industry, Tourism and Investment (ITI) and Environment and Natural Resources (ENR) share Information System development and management resources. The Informatics Division provides information management and information services to both Departments under an interdepartmental agreement. This approach allows for increased synergies between Departmental systems and a strong desire to share and collaborate on technology initiatives. To date, this approach has been very successful and has resulted in multi-department systems platforms such as the LISIN (Licensing Information System) and EATS (Environmental Assessment and Tracking System).

During the 2009/10 fiscal year the Informatics Division introduced a new Informatics planning process that aligns with GNWT business planning cycles. This new planning process includes a four-year strategic outlook and a one-year operational plan. Once this planning cycle is fully implemented it will lead to much stronger and more focused plans resulting in much improved results focused on solving critical Departmental challenges.

The following are the major information systems and applications supporting ITI activities:

- **Contract Registry** – Multi-departmental system for public reporting of GNWT contracts over $5,000;
- **BIP** – Registry of approved northern businesses under the Business Incentive Policy;
- **EATS** – New multi-departmental system to support GNWT activities in environmental assessments and related activities;
- **LISIN** – System for issuing and tracking licences and permits;
- **DMACS** – Diamond Monitoring and Certification System used to track and certify diamonds mined in the NWT;
- **Fur Harvest Database** – Database used to track the results of annual fur harvests;
- **Licensed Tourism Operators Database** – Database used to monitor and track the status of licensed tourism operators in the NWT;
- **Parks Permitting System** – System for issuing campground and day-park permits to facility users;
- **Parks Reservation System** – Online portal allowing reservations of campsites by park users;
- **Arts and Crafts Database and Website** - Website and database used to track and catalogue northern artists and their crafts in support of the Arts and Crafts sector; and
- **The Exceptional Assistant** – System to track BDIC loans and ITI Grants and Contributions.

Planned Activities – 2010/11

In addition to organizational improvement activities building on the improved planning, results reporting and project management discipline introduced in the 2009/10 fiscal year, the Informatics Division is undertaking the following systems development projects.

- **Land Use Framework Decision Support Tools:** The implementation of the Land Use Framework under Managing This Land will require comprehensive geomatics, management and information support systems. These systems will provide access to more complete, timely and accurate information essential to ensuring quality decisions are made in a manner consistent with the Framework. While led by the Informatics Division of Shared Services, this Project will require the input and participation of all GNWT departments involved in the management of land.
- **Electronic Records Management:** ITI is one of the lead departments working on a GNWT-wide initiative to implement an electronic records management system. The primary objective of this system is to allow the efficient storage and retrieval of information.
- **LISIN Phase III:** builds on the work completed during the 2008/09 and 2009/10 fiscal years by introducing new functionality to the application intended to reduce duplication of effort and human error. Primary activity centres on providing direct data entry access to vendors for issuing licenses.
- **Compliance Management Information System:** An integrated system replacing a number of existing and dated applications currently utilized for tracking incidents such as occurrences, nuisance bears, spills, investigations, patrols and related compliance activities, as well as the system for tracking wildlife and parks officer appointments and status including current safety training status and equipment and firearms related issues. This new system will help to improve efficiency in monitoring and reporting on these key compliance matters consistent with current legislation.

Planned Activities - 2011/12

During the 2009/10 fiscal year, the Department will be completing its four-year Informatics Plan, which will establish a clear roadmap for technology investment through to the 2013/14 fiscal year and will include the operational plan for the 2011/12 fiscal year. The Department has established clear criteria for assessing and prioritizing informatics and initiatives that relate back to Departmental and Government priorities. Systems and Information Management Activities will focus on:

- Improving levels of and access to services for the residents and businesses of the NWT through the appropriate use of technology. This includes improvements to approaches for collaboration and consultation though the application of technology as well as the enabling of key services over the internet (e-government).
- Increasing the cooperation and collaboration of internal and external stakeholders through the use of technology to help achieve synergies and improve the decision support systems around matters such as regulatory processes and procedures or issues related to the management of the land and other similar initiatives.
- Maximizing operational efficiency of government by the prudent investment in technology in support of process efficiency and automation.
- Increasing the efficient and effective management of information and data in support of improving the quality and timeliness of analysis and business intelligence to support and improve Departmental decision support systems.

Informatics initiatives will need to help address the ongoing challenges facing the Department including:

- The reduced availability of resources (human and financial);
- The aging workforce and associated knowledge transfer challenges;
- Increasing pressure on efficiency and effectiveness; and
- Increased emphasis on "client centric" approaches to service delivery and program design.

4. Future Strategic Direction for the Department

Throughout this Departmental Business Plan, ITI has articulated its activities over the past few years, and its plans over the next two years. Looking medium term into the future, beyond the current 16th Legislative Assembly, this last section of the document provides ITI's current strategic direction and expectations for future areas of focus.

Minerals and Petroleum Resources

The NWT is richly endowed with mineral and petroleum resources that constitute a competitive advantage the NWT can lever to maximize benefits (employment, procurement, value-added) for NWT residents, contributing to an increased quality of life. ITI agrees that development of this rich resource base will, in the medium-term, be tightly linked to the pace at which, and the extent to which, the Canadian economy recovers. This recovery of the Canadian economy will present many opportunities for the NWT to lever this advantage to diversify the resource economy base so that it is producing a range of commodities (e.g., precious metals, base metals, strategic metals).

ITI will continue to promote the construction of the Mackenzie Gas Project, particularly the Mackenzie Valley Pipeline, as it will open the entire Beaufort Delta basin for exploration and development of natural gas resources resulting in significant induced development (i.e., exploration, construction of lateral pipeline, well operations). As continental primary sources of oil and natural gas are being depleted, exploration for oil and gas resources is increasingly turning to frontier areas, including offshore. This, coupled with shrinking sea ice and the possibility of tanker transportation, is expected to result in increased interest in the offshore. ITI intends to capitalize on these events as they become a reality.

Significant effort will need to be made to improve the operating environment for mineral and petroleum exploration and developers. Access to land for exploration and a perceived complex regulatory environment will continue to be challenges. Opportunities exist to address these issues so that, when the Canadian economy does recover, the NWT will be poised to take advantage of it.

Key Themes to be addressed:

- Operating environment (access to land, regulatory improvement);
- Recovery of Canadian economy and levering it to NWT advantage;
- Mackenzie Gas Project; and
- Development of offshore.

Energy

The NWT Energy Plan, the draft NWT Hydro Strategy, and initiatives in development such as the NWT Biomass Strategy have clearly established the long-term vision and approach to energy supply in the NWT. This approach is centred on displacing the use of imported diesel with northern renewable and alternative energy sources.

In the next two to six years, a number of the initiatives identified in the GNWT Energy Priorities Framework will be developed, including a wind facility in Tuktoyaktuk (with others in development), mini-hydro facilities, and a critical piece of infrastructure in the Taltson Hydro Expansion and transmission into the Slave Geological Province.

Priorities in the mid-term will continue to be focused on local energy development and may include the development of local biomass resources for heating and electricity generation, the development of geothermal resources in the Dehcho Region, and the utilization of natural gas once the Mackenzie Valley Pipeline is completed. A key strategy will include the leveraging of the energy requirements of future resource development, increasing our challenging economies of scale, and lowering the per-unit cost of energy in the NWT for the benefit of all communities.

TOURISM AND PARKS

A balanced and successful economy is based on diversification. Tourism offers this potential in the NWT. Tourism is not a single industry. Rather, it comprises pieces of a number of different industries: transportation, accommodation, tourist and business travel, food services and others. For this reason, it is one area of investment that can offer many benefits – most importantly economic diversity and the development of viable and sustainable small business ventures in almost every NWT community.

Tourism 2010 was a GNWT multi-year tourism plan that was resourced at $1 million for five years beginning in 2005/06. ITI will be extending the Program for an additional five years, and has established new goals and objectives that reflect the changes, growth, and priorities of the NWT. The new Program will continue to provide funding in five areas: training, product development, infrastructure, research, and marketing. Funds are intended to provide benefits on an industry, regional and community scale. This funding is intended to continue to stimulate additional investment from public and private sector partners – providing the potential for diversification, development and expansion of viable and sustainable tourism business ventures territory-wide.

Goals and Objectives include:

1. Increase the number of Aboriginal tourism products by 10%;
2. Grow industry revenues from $145 million to $190 million (30% increase);
3. Enhance tourism attractions in all regions;
4. More fully develop the tourism potential for arts and fine crafts; and
5. Provide timely and accurate statistics to industry on tourism volumes and spending.

These objectives and goals will be guided by the following principles:

1. Partnerships;
2. Broad-based benefits;
3. Regional distribution of benefits; and
4. Market-driven planning.

Territorial parks play a vital role in the NWT tourism industry. They offer residents and visitors affordable accommodation, a space to enjoy nature in a beautiful and scenic location, and a place to play, whether that means going for a walk, going fishing or boating, laying on a beach, or playing with children. ITI's mid-term priorities are to: improve parks and ensure they are meeting the needs of residents and visitors; improve the existing online reservation system; create additional recreational vehicle sites; offer interpretive and cultural programs to park visitors; and develop and implement a parks marketing strategy.

Tourism and Parks will remain as a major priority for the Department of ITI. Continuing with our Tourism Plan for the NWT into the future will enhance tourism and hospitality training, product development, infrastructure development, research and marketing efforts, and will improve our territorial parks system.

ECONOMIC DIVERSIFICATION AND BUSINESS SUPPORT

We are working toward having a "one window" system in place for business funding in every region. While separate programs will still exist, the client will make only one application, electronically, to the local Business Development office. This office will provide basic approval authority for ITI business programs, the Northern Development Agency, Community Futures, and the Business Development Investment Corporation. Savings in approval time and paperwork will be significant. Basic program funding and priorities can be shifted to meet local realities.

In the mid-term, it is ITI's goal to greatly improve manufacturing opportunities in the NWT through promotion, partnerships, support and strategic thinking. Possibilities for manufacturing plants exist in areas such as: prefabricated housing; northern foundation systems; and the production of polished gems and jewellery, to name a few.

Opportunities to promote and expand our film industry exist as the NWT is increasingly recognized as a unique place of interest, building on the successes of recent productions, and learning to create opportunities for this industry.

The NWT's traditional economy, which includes harvesting, hunting, fishing, agriculture, trapping, arts and fine crafts, commercial game, and more, will continue to be rejuvenated as NWT residents are supported through funding, marketing, promotion, innovation and technical assistance.

Meeting and convention activities throughout the NWT can be enhanced to bring in the business traveller. Support and partnerships with businesses, industry, industry associations, development corporations, and governments, will help to give the NWT the prominence required to be the place to network.

Diversification of the NWT economy will remain as a major priority for the Department of ITI. To continue to build a healthy Northern economy, we must not rely on a handful of major industries. We must continue to look for diversification opportunities that will ultimately maximize employment possibilities for all our residents and create the businesses that will make our NWT economy thrive.